Growth, globalisation and partnerships

Annual report 2024

DEIF Improve Tomorrow

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INTRODUCTION

About the report

DEIF´s 2024 report includes both the financial and sustainability statements of DEIF.

The report reflects our preparations to comply with the EU Corporate Sustainability Reporting Directive (CSRD) and the underlying European Sustainability Reporting Standards (ESRS).

Despite the reduced EU demand for reporting (proposed “Omnibus” changes), DEIF has chosen to continue the preparation for CSRD-compliant reporting because we see this as a good tool to integrate the sustainability topics into the core of the company. We will use CSRD strategically - not just as a mere reporting tool.

The sustainability statement has been structured into Environment (E), Social (S), and Governance (G) and the underlying sub-topics according to most of the ESRS standards, even though the sub-sections do not fully reflect the content of the topical standards.*

Furthermore, our statutory corporate governance report has been incorporated into the governance section of the annual report.

The management review and sustainability statement make up the statutory statements on § 99a in the Danish Financial Statement Act (Årsregnskabsloven).

*Sections on ESRS E2, E3, and S4 have been omitted as separate sections in its entirety as DEIF’s reporting obligations will not commence until the reporting on the financial year 2025 (pending approval of Omnibus “stop-the-clock” proposal by the EU Parliament). The 2024 report was prepared to align with the format and the General Disclosure Requirements of ESRS 1 and 2 where possible, however, it is not yet fully compliant with the directive.

LETTER FROM THE CEO

2024: A year of growth, globalisation and partnerships

2024 was the fourth, consecutive year of solid growth at DEIF. Driven by a strong product portfolio, an expanded global presence and an increasing demand for intelligent energy management, the turnover increased by 7% in 2024 compared to the year before. The profit margin was 7.3% after accelerated investments in Research & Development (R&D) and other strategic initiatives, laying the foundation for further growth in the years to come.

In 2024, we took several significant steps towards realising our ambition of becoming a global market leader in intelligent energy control. We launched a brand-new product line for power converters that sets new standards in energy efficiency. We kicked-off production in our new factory, enabling future growth with minimum climate impact. We strengthened our global presence and continued the cultural transformation of our organization.

We remain committed to pioneering solutions that support the green energy transition and increase the efficiency of diesel gensets, still prevalent in many geographies and applications. Adding energy storage (batteries) to existing installations or as an integrated part of new solutions is an area with great momentum right now, allowing asset owners to optimise their energy plants and reduce fuel consumption.

In the marine industry, we see increased electrification and hybridisation of vessels following the ambitious carbon reduction goals of the International Maritime Organisation (IMO). As a preferred supplier of control solutions and instrumentation for the full range of hybrid, full-electric and traditional diesel-powered vessels, this market provides us with great opportunities. On land, we experience a growing demand for optimisation solutions, hybrid power supplies and the integration of new energy sources like hydrogen.

Launching an innovative power converter solution
One of the major milestones in 2024 was our partnership with Wolfspeed and AVL (see page 19) to co-create the most energy efficient power converter in today's market. Power converters are fundamental in the energy transition and a new fixture in DEIF's product programme. We were proud to launch the ultra-compact power converter based on silicon-carbide technology at SMM, the world's leading trade fair for the maritime industry. We experienced great interest in the new solution and by the second quarter of 2025, we expect to ramp-up production of the new power converters.

Commitment to carbon reductions
By the end of 2024, Science Based Target Initiative (SBTi) approved DEIF's near-term and long-term science-based emissions reduction targets. Meeting these targets requires a significant effort in light of our growth strategy. To get started right away, we have created a short-term decarbonisation plan that among others include selective sourcing of Printed Circuit Boards (PCBs) from suppliers that use renewable energy in their production in order to bring down our scope 3 emissions. Consequently, we expect to move about 75% of PCB production to sub-suppliers with a higher share of renewable electricity than current suppliers in the coming years. While carrying out these short-term initiatives, we will continue the work with our long-term decarbonisation plan with expected completion in the second half of 2025.

In our effort to help asset owners improve the efficiency of their wind parks, we also had a significant breakthrough in 2024. In close cooperation with EDF Renewables, we managed to achieve an Annual Energy Production (AEP) increase of approx. 2% in one of their wind parks in the US. It is our ambition to grow the wind retrofit business substantially over the next years with a goal of having upgraded up to 3,000 turbines by 2030.

Accelerating growth in the coming years
We enter 2025 with momentum and optimism. With our extended product portfolio and even stronger global presence, we can leverage the opportunities offered by the market and expect to grow our business significantly in both traditional and new energy solutions.

I would like to thank our customers and partners for their close cooperation, inspiring our journey towards more sustainable energy applications and challenging us to set new standards. I also want to thank all my DEIF colleagues. Our strong, global team is the cornerstone for realising our dream of becoming market leader in intelligent energy control.

Christian Nielsen, Group CEO of DEIF A/S

2024 at a glance

PEOPLE*

385
employees at headquarters in Denmark
(350 in 2023)

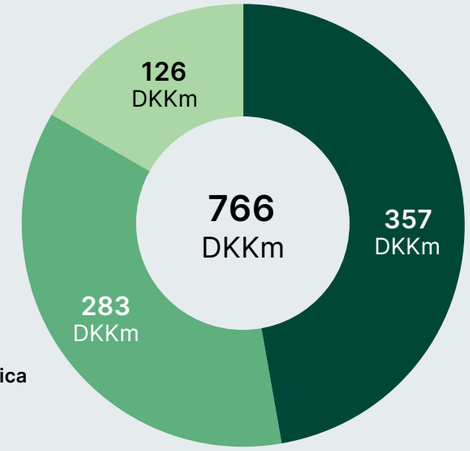
565
employees in total

180
employees in international subsidiaries
(172 in 2023)

139
employees in Research and Development
(133 in 2023)

TURNOVER REGIONS

- **Americas**
  (2023: 125 DKKm)
- **Asia & Pacific**
  (2023: 253 DKKm)
- **ENEA: Europe, Near-East, Africa**
  (2023: 338 DKKm)



OUTLOOK

The outlook for 2025 is positive. We expect a turnover growth of 15% and improved earnings, resulting in a profit before tax in the range of 50 DKKm to 60 DKKm

Investments in R&D activities, global market expansion and automation of production processes will continue at a level comparable to previous years.

FINANCE

	Turnover	EBITDA	Profit before tax	Gross investments in R&D
2024	766 DKKm	124 DKKm	40 DKKm	136 DKKm
2023	715 DKKm	122 DKKm	51 DKKm	106 DKKm

ENVIRONMENT

GHG EMISSIONS

Scope 1 & 2 (DK)**

-34%
229 tCO_2e
(2023: 349 tCO_2e)

Scope 1-3 (global)

-6.5%
41,093 tCO_2e
(2023: 43,932 tCO_2e)

CUSTOMERS

	NPS***	Delivery performance****
2024	71.5	94.6
2023	73.2	98.9

* Number of employees (FTE) per 31 December 2024
** Headquarter (HQ) in Denmark

*** Net Promoter Score: A measure of customer loyalty and satisfaction. Ranging from -100 to +100
**** Delivery performance: Percentage of orders delivered as first confirmed to the customer

Strategy and ambitions towards 2033

Accelerating growth

With a top modern electronics factory, a new technology-leading product platform and a global market favoured by the green transition, DEIF is geared to accelerate growth in the coming years.

Our long-term ambition is to become market leader and triple revenue by 2033, when DEIF celebrates its 100 years anniversary. As part of this, we want to increase the share of our turnover from products and solutions for renewable energy applications.

The primary strategic drivers enabling DEIF to achieve the ambitions are:

- Being a one-stop-shop for intelligent energy control, including power converters, controllers, Programmable Logic Controllers (PLCs) and protection relays.
- Maintaining our role as technology leaders, offering our customers the smartest products and the highest levels of cybersecurity.
- Strengthening DEIF's global presence and enhancing the service-support competences locally.
- Help our customers save fuel, reduce emissions and optimise performance, while reducing DEIF's own footprint in the value chain.
- Further improve a 'winning together' culture, where high competence levels meet strong execution power and perseverance to deliver products and solutions fast and with a high level of customer service/support.

OUR PURPOSE

Our purpose is to supply the world's best and most reliable energy control solutions for a sustainable future.

OUR AMBITIONS

Market leader in intelligent energy control

By 2030, we are leading within intelligent energy control, offering a full scope of cutting-edge flexible products and services and a great customer experience.

This will be supported by a highly automated and scalable operation, setting the standard for innovative methods and processes.

Acting on Climate Change

DEIF has approved near and long-term science-based emissions reduction targets with the SBTi. DEIF commits to reach net-zero greenhouse gas emissions across the value chain by 2050. (For near-term & long-term target formulation see page 42)

Progress on strategic priorities in 2024

In 2024, we launched and implemented several significant initiatives within five selected strategic focus areas. Progress achieved in 2024:

Leadership & Culture

The overarching vision is to carry out a transformation of the company culture to support DEIF's ambitious growth strategy. In 2024, we took several steps on this journey, including a series of Culture Labs, where the majority of employees were introduced to and discussed the implications of a "growth mindset". Our employees were also trained in having courageous conversations to explore new ideas and handle conflicts. More information on the cultural transformation on page 52

Climate Impact

By the end of 2024, SBTi approved DEIF's near-term and net-zero Greenhouse gas (GHG) emissions reduction targets. During 2024 we have launched several initiatives to reduce GHG emissions in the entire value chain. One example is our collaboration with our supplier of PCBs, to find ways to reduce the GHG emissions of PCB production. More information on decarbonisation on page 45.

Digitalisation and Automation

DEIF's new electronics factory was inaugurated in January 2024 as a showcase of energy efficient production. All production processes now take place under one roof with a high degree of digitalisation and automation. An overall digital platform has been developed, integrating all manufacturing systems and processes, and ensuring a comprehensive overview and traceability across all processes. 2024 also saw great progress in onboarding customers to the new customer portal and an increased business from customers using the portal. More information on the new factory on page 18.

Technical Leadership

The development of DEIF's new power converter product line ran full speed in 2024 with good progress. The development of DEIF's iE-series, a new product line powered by the DEIF Embedded software Platform (DEP), continued to advance. Furthermore, technical capabilities in DEIF have been improved with special focus on processing power, User Interface, connectivity, cloud/remote monitoring, grid codes, cybersecurity and functional safety approvals. More information on our R&D activities on page 17.

Sales Growth

The global sales organisation was strengthened significantly during 2024 to enable the sales growth targets. Among other things we restructured the regional teams, added sales and technical resources locally and continued building a strong partner network. State-of-the-art training centres were opened in Mumbai, India, and Fort Lauderdale, Florida. At the beginning of 2025, we opened a training center in Denmark.

About DEIF

DEIF supports the green energy transition. Setting some of the highest standards in energy control solutions and providing a full line of electronic devices, we meet the market demands today and tomorrow. With global presence and support from design and specification to commissioning and after-market services, we enable customers around the world to tackle the electrification and green energy transition – with hybrid solutions, integration of renewables, improved energy efficiency and retrofit and upgrade of existing solutions.

Since 1933, the founding Foss family has been the owners of DEIF. The sole family ownership allows a long-term and responsible approach to business development founded in the owner's vision: "To develop the company's value in the long term, always based on high ethics in relation to our employees, business partners and society as a whole." All DEIF operations strive to hold up against standards of integrity, compliance to laws and regulations, human rights, fair competition, anti-corruption and data privacy.

Subsidiary managers and key people from HQ gathered in November 2024

Parent company

DEIF A/S	Skive, Denmark

Consolidated subsidiaries (100%)

DEIF do Brasil	Campinas, Brazil
DEIF Electrical (Shanghai) Co., Ltd.	Shanghai, China
WPT China Holding A/S*	Skive, Denmark
DEIF Mediterranea SARL	Sophia-Antipolis, France
DEIF GmbH	Bensheim, Germany
DEIF India Pvt. Ltd.	Mumbai, India
DEIF Korea Co. Ltd	Busan, Republic of Korea
DEIF Mexico S.A. de C.V.	Mexico City, México
DEIF Norge AS	Tønsberg, Norway
DEIF Asia Pacific Pte Ltd	Singapore, Singapore
DEIF Middle East FZE	Dubai, UAE
DEIF, Inc.	Wood Dale, Illinois, USA
DEIF WPT Austria GmbH**	Klagenfurt, Austria
DEIF (UK) Limited	Manchester, England
DEIF Hispania solutions S.L.U.***	Alicante, Spain

Representative offices

Brisbane, Australia
Ho Chi Minh City, Vietnam
Jakarta, Indonesia
Istanbul, Turkey

* Related to discontinued activities
** R&D activities
*** 100% consolidated subsidiary from March 2025

How we create value - Our business model

Raw materials, global sourcing
Raw materials are sourced by DEIF's sub-suppliers in order to produce components for DEIF. These raw materials include amongst others, minerals (such as gold, copper), aluminum, silicone, and polymers.

DEIF operations, Denmark
Manufacturing of final products, including PCB assembly, assembly of final products, test and quality control. All production takes place in Skive, Denmark.

DEIF in Skive applies ISO 14001 for environmental management. Through systematic environmental management, we continuously reduce the footprint in our operations by high material efficiency, recycling of waste, responsibly managing chemicals and protecting the environment from harmful emissions. We observed a slight decrease in the waste recycling rate, from 88,4% in 2023 to 87,5% in 2024.

Throughout the value chain, raw materials, components and final products are packaged and shipped by using different transportation modes, including air, sea and road transportation. We pack products from Denmark using recycled cardboard.

Use of products, worldwide
DEIF's products are used in a variety of applications, ranging from ships and other marine installations to land-based energy supply systems and increasingly to renewable energy parks – wind, solar, batteries.

Suppliers, Asia, Europe and US
Specialized sub-suppliers deliver materials and components to DEIF's tier 1 suppliers. The main components delivered to DEIF are raw PCBs, electronic components, mechanical components and Original Equipment Manufacturer (OEM) products.

In 2023, we implemented a new Supplier Assessment tool, adding more ESG topics to the previous evaluation tool. Furthermore, we continued our work with nearshoring suppliers to reduce the transportation footprint and safeguard delivery. We invited suppliers to collaborate closely on the sustainability agenda to set up joint targets.

Customers, worldwide
DEIF's products are sold worldwide to a variety of customer types, operating in a range of different segments. We sell and distribute our products either directly from Denmark, through our own local subsidiaries or via trusted distributors to customers such as integrators, genset manufacturers and switchboard builders or directly to asset owners (e.g. owners of ships or wind parks).

DEIF offers a standard delivery time of seven days, and in 2024, we delivered 94.6% as confirmed to the customer.

End-of life, worldwide
Currently, DEIF does not offer take-back of products, and therefore the products are disposed of through 3rd party channels, in accordance with national regulations for electronic waste.

In 2024, we received 2,374 controllers for service and repair (2023: 2,472). After repair, the devices were returned to the customers for continued use.

Our commitment to sustainable development

Commitment to SBTi
Since 2023, DEIF has committed to setting near- and long-term company-wide emission reductions in line with science-based net-zero targets with the SBTi. Since December 2024, SBTi has verified DEIF's net-zero science-based target by 2050.

Overall Net-Zero Target:
DEIF commits to reach net-zero greenhouse gas emissions across the value chain by 2050.

- Near-term Targets: DEIF commits to reduce absolute scope 1 and 2 GHG emissions 67% by 2030 from a 2023 base year. DEIF commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, upstream and downstream transportation and distribution, waste generated in operations, business travel, employee commuting, processing of sold products, use of sold products, and end-of-life treatment of sold products 42% within the same timeframe.
- Long-term Targets: DEIF commits to reducing absolute scope 1, 2 and scope 3 GHG emissions 90% by 2050 from a 2023 base year.

Participant of the UN Global Compact
Since 2016, DEIF has been a participant of the UN Global Compact. As part of the UN Global Compact Network Denmark, DEIF participates in formative programmes, such as the Business and Human Rights Accelerator (participation in 2025).

Tax practice
DEIF considers a responsible and compliant tax practice to be an essential part of how we do business globally and live up to our values. DEIF does not operate in tax havens, jurisdictions stated on EU's blacklist or in jurisdictions which are stated on OECD's list of non-cooperatives. We support the harmonisation of international tax rules and collaboration between governments to ensure a fair tax environment.

Ensuring the strategic use of the Double Materiality Assessment (DMA) results
DEIF has worked with sustainability topics related to environment, social and governance for many years. In 2023, we completed a Double Materiality Assessment (approved by the Board of Directors in 2024) to identify and act upon the most important sustainability topics (defined as material impacts, risks and opportunities (IROs) in the CSRD), while also preparing for compliance with the CSRD. If not integrated in the strategy already, these hot spots will be reflected in the strategy going forward.

The work with the DMA provided valuable insights, and we use the material topics of the ten ESRS in the strategic development of DEIF. This also means that even though DEIF may not be obligated to comply with the CSRD according to the EU Omnibus proposal, we plan to continue our work with the framework provided by the directive and the underlying standards.

Financial and ESG highlights 2024

DKKm	2024	2023	2022	2021	2020
Profit/loss					
Net revenue	765.6	715.3	672.9	551.1	531.9
Gross profit/loss	423.6	399.0	360.9	298.8	291.9
Earnings before interest. taxes. depriciation and amortization (EBITDA)	124.3	121.7	118.3	89.3	80.0
Earnings before interest and taxes (EBIT)	55.9	63.7	55.1	39.5	17.9
Profit/loss before tax	39.6	51.1	47.2	29.0	3.0
Annual profit	29.4	39.0	37.6	63.2	5.0
- from discontinued operations	-	-	-	37.2	-
Balance sheet:					
Balance sheet total	779.3	718.8	606.9	777.8	633.7
Equity	251.6	244.7	228.6	202.7	188.9
Cash flows					
Cash flows from:					
- operating activities	108.0	58.8	218.0	43.2	54.2
- investing activities	-134.8	-162.1	-77.2	-63.9	-81.4
- of this. tangible and intangible fixed assets	-134.6	-161.7	-77.0	-63.7	-81.5
- financing activities	34.8	105.9	-131.7	7.9	33.1
Annual change in cash	8.0	2.6	9.1	-12.8	5.9
Ratios					
Growth	7.0%	6.3%	22.1%	3.6%	-6.1%
Gross margin	55.3%	55.8%	53.6%	54.2%	54.9%
EBITDA - margin	16.2%	17.0%	17.6%	16.2%	15.0%
Profit ratio (EBIT)	7.3%	8.9%	8.2%	7.2%	3.4%
Return on capital employed	7.2%	8.9%	9.1%	5.1%	2.8%
Solvency ratio	32.3%	34.0%	37.7%	26.1%	29.8%
Return on equity	11.9%	16.5%	17.4%	32.3%	2.7%

ESG statements	2024	2023	2022	2021	2020
Total GHG emissions (Scope 1-3) (tCO_2e)					
- Global (total)	41,093	43,932	40,572	n/a	n/a
Scope 1 (tCO_2e)					
- Denmark	229	349	426	203	113
- Global	250	425	473	316	239
Scope 2 (tCO_2e)					
- Denmark	161	113	112	117	134
- Global	391	378	269	266	267
Scope 3 (tCO_2e)					
- Global	40,452	43,129	39,830	n/a	n/a
Energy consumption (kWh)					
- Denmark	1,675,366*	1,033,506	686,585	809,447	924,347
- Global	2,199,388	1,599,568	1,054,197	1,165,508	1,314,308
No. of employees (FTE)					
- Denmark	385	350	330	315	337
- Foreign subsidiaries	180	172	163	224	206
- Total	565	522	493	539	542
Male/Female Employees (%)	72/28	72/28	71/29	70/30	73/27
Male/Female in Executive Management (number)	5/2	5/2	3/2	3/2	4/2
Male/Female in Board of Directors (%)	67/33	67/33	67/33	60/40	80/20
Employee turnover rate (%)	12	6	9	10	10
Employee engagement (index)	77	N/A	78	N/A	76
Sick leave total (Denmark) (%)	3.0	3.0	3.2	2.4	2.4
People in flex jobs (Denmark) (number)	9	6	3	5	6
Learning positions (Denmark((%)	5.6	5.8	6.7	5.4	N/A

The ratios have been prepared in accordance with the guidelines issued by Den Danske Finansanalytikerforening (Danish Society of Financial Analysts).

* Excluding electricity consumption produced on-site by our own solar panels.

PERFORMANCE AND OUTLOOK

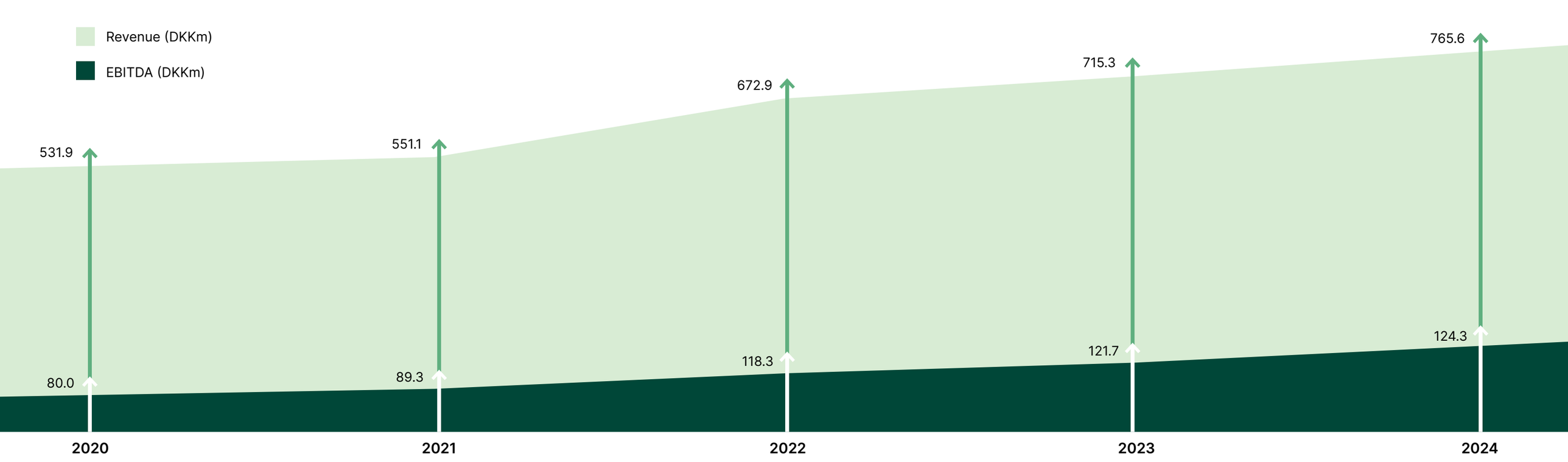
2024: Solid turnover growth and significant investments

2024 was the fourth consecutive year of solid growth for DEIF. Driven by a strong product portfolio, an expanded global presence and an increasing demand for intelligent energy management solutions, the turnover grew by 7% in 2024, reaching DKK 766 million (2023: DKK 715 million).

We consider the growth in turnover satisfactory. After a first half of 2024 characterised by customer destocking and a flat market development, the sales picked up and we saw increasing activity across the business in the second half of 2024.

To accelerate the execution of our strategy and to boost future sales, significant investments were made in R&D and in the strengthening and expansion of our global presence. Therefore, fixed costs increased from DKK 337 million in 2023 to DKK 390 million in 2024. The number of full-time employees increased to 565 (2023: 522). This is expected to have a significant positive impact in the coming years, as the foundation for continued profitable growth.

Over the past five years, EBITDA has continuously improved, from DKK 80 million in 2020 to DKK 124 million in 2024. The profit before tax in 2024 was DKK 40 million (2023: DKK 51 million) as the high level of activity and investments in 2024 affected the short-term earnings. Although slightly below the outlook for 2024, this is within our expectations and satisfactory, considering the substantial investments in the long-term value creation.



2024 in our regions

DEIF's activities in the Asia & Pacific region* experienced significant growth of 12% in 2024, within both land-based and marine solutions. The positive development in our key markets in China and India continued and we increased our presence in Australia.

Our activities in Europe and Near-East countries saw minor growth rates in 2024 of 6%. While the green energy transition is running full speed in most EU countries, the high inventories built up in 2023 due to logistics bottlenecks and uncertainties caused by the war in Ukraine dampened the activity level in 2024. The 2nd quarter saw improvements, driven by growth in Marine and Data Center business.

In Americas our business in the USA was affected by the decline in the construction industry, and the turnover in this region only grew 1% compared to 2023. In the coming years, DEIF Americas will pursue a diversification strategy to make the business more resilient to market fluctuations. While the rental business for the construction industry and the upgrade of wind turbines remains important, DEIF will move into other sectors and applications as well.

"The climate ambitions of the EU and other European countries increase the potential for renewable and hybrid solutions in the coming years. Our knowledge hub, particularly in wind retrofit, allows us to anticipate steady growth. The new iE-series will also provide opportunities in both marine and land-based applications. We expect increased business in 2025 due to accelerated energy transition and electrification in land and marine applications."

Jean-Michel Caillol, Senior Vice President
Global Sales and Marketing, Head of Region ENEA

"In 2024, the iE250 product series was well-received by our American customers. Looking ahead, we also see a lot of potential in the new DEIF power converters that enable us to offer a full product suite to our customers. In 2025, the markets in North and South America are expected to rebound."

Miguel Romero, Vice President
Region Americas

"Over the last five years, we doubled the turnover in the region. Furthermore, we established DEIF as a valuable partner in advanced and efficient power management regardless of energy source. The outlook for 2025 in the IMEAA region is positive with growth potential across markets and product segments."

Ajay Nair, Vice President
Region IMEAA

"A connected world calls for connected solutions and partnerships. From our stronghold in China, we can offer solutions across the world in close collaboration with DEIF colleagues in other regions. The outlook for the coming year is very positive with business opportunities across most markets and products."

Hansen Li, Vice President
Region EASIA

* The Asia & Pacific region is internally organised in two geographical areas: IMEEA (India, Middle-East, Anglo-Africa) and EASIA (East Asia including Australasia).

2024 in our main markets and applications

Conventional energy

DEIF's business within conventional energy solutions, typically gen-sets, saw good growth in 2024, especially within the mid to high-capacity generators.

The iE controller series was sold into several different applications to allow customisation and improve energy efficiency. The high cybersecurity of the iE series has made DEIF a preferred supplier at several engine and gen-set builders.

Next up is a new iE controller targeting small and medium applications, expected to launch in the second quarter of 2025.

New energy

Solutions for new energy applications, e.g. batteries and fuel cells grew significantly in 2024, and the growth trend is expected to continue in the coming years.

DEIF engaged in several partnerships with front runners in the new energy business of fuel cells, e.g. EODev, HDF and Helium.

Asset owners

DEIF's business with asset owners has been growing.

The electrification in the construction sector increased the sale of control solutions for battery packs for the rental business. For instance, Sunbelt* rental has acquired more than 1,000 battery units for their fleet and selected DEIF controls for their new assets. Moreover, Aggreko** chose DEIF as controls partner for their hybridisation plants.

With the growing interest in energy parks, comprising many different energy production plants and energy sources, we expect our involvement with asset owners to grow in the coming years.

Project business

Project sales, which is an important part of our business with all three areas; conventional energy, new energy and asset owners, experienced robust sales in 2024.

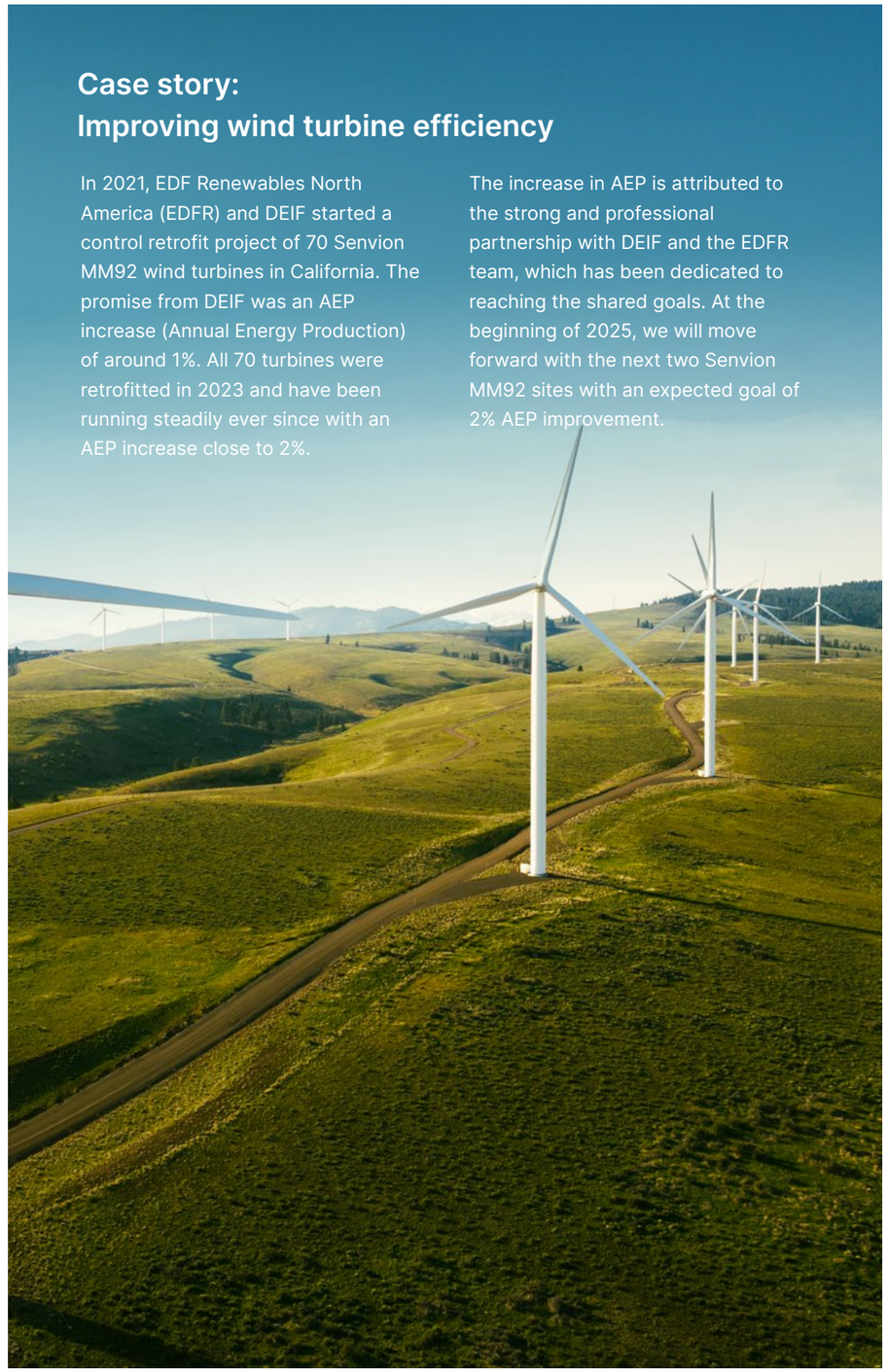
In the marine sector, our cooperation with integrators and switchboard builders continued. In particular, control solutions for hybrid vessels and full-electric ships were in demand. Furthermore, the high cybersecurity of DEIF's iE-series was well-received in the marine industry.

On land, the demand for critical power solutions grew, notably for data centres. Our business within off-grid hybrid solutions also grew across markets.

Case story: Improving wind turbine efficiency

In 2021, EDF Renewables North America (EDFR) and DEIF started a control retrofit project of 70 Senvion MM92 wind turbines in California. The promise from DEIF was an AEP increase (Annual Energy Production) of around 1%. All 70 turbines were retrofitted in 2023 and have been running steadily ever since with an AEP increase close to 2%.

The increase in AEP is attributed to the strong and professional partnership with DEIF and the EDFR team, which has been dedicated to reaching the shared goals. At the beginning of 2025, we will move forward with the next two Senvion MM92 sites with an expected goal of 2% AEP improvement.



Washington state, USA.

* Sunbelt Rentals is a leading equipment and tool rental company. www.sunbeltrentals.com
** Aggreko is a global leader in decentralised energy solutions. www.aggreko.com

Strategic partnerships for innovative solutions

DEIF is supplying advanced controllers to e-power.

Electric ferries of the future

The Danish Standard Ferries Consortium is developing a standard ferry design for five full-electric ferries, potentially ten. DEIF is chosen as one of the preferred suppliers and participate in the development work. The plan is to have the first ferry in operation by 2026.

DEIF's deliveries comprise among others Power Management System, Power Converter system control alarm and monitoring system, Blue Flow energy management system, commissioning and training.

One-stop solutions for datacentres

Over the past three years, DEIF has expanded its cooperation with Vertiv, a global provider of critical digital infrastructure. Projects are carried out in USA, Asia and Europe, primarily for datacentres and microgrids.

We provide advanced control solutions for efficient and resilient operation, often with a keen focus on reducing the environmental footprint.

Supporting the development of hydrogen fuel cells

In 2024, DEIF continued the close collaboration with EODev, a leading supplier of hydrogen-fuelled gen-sets.

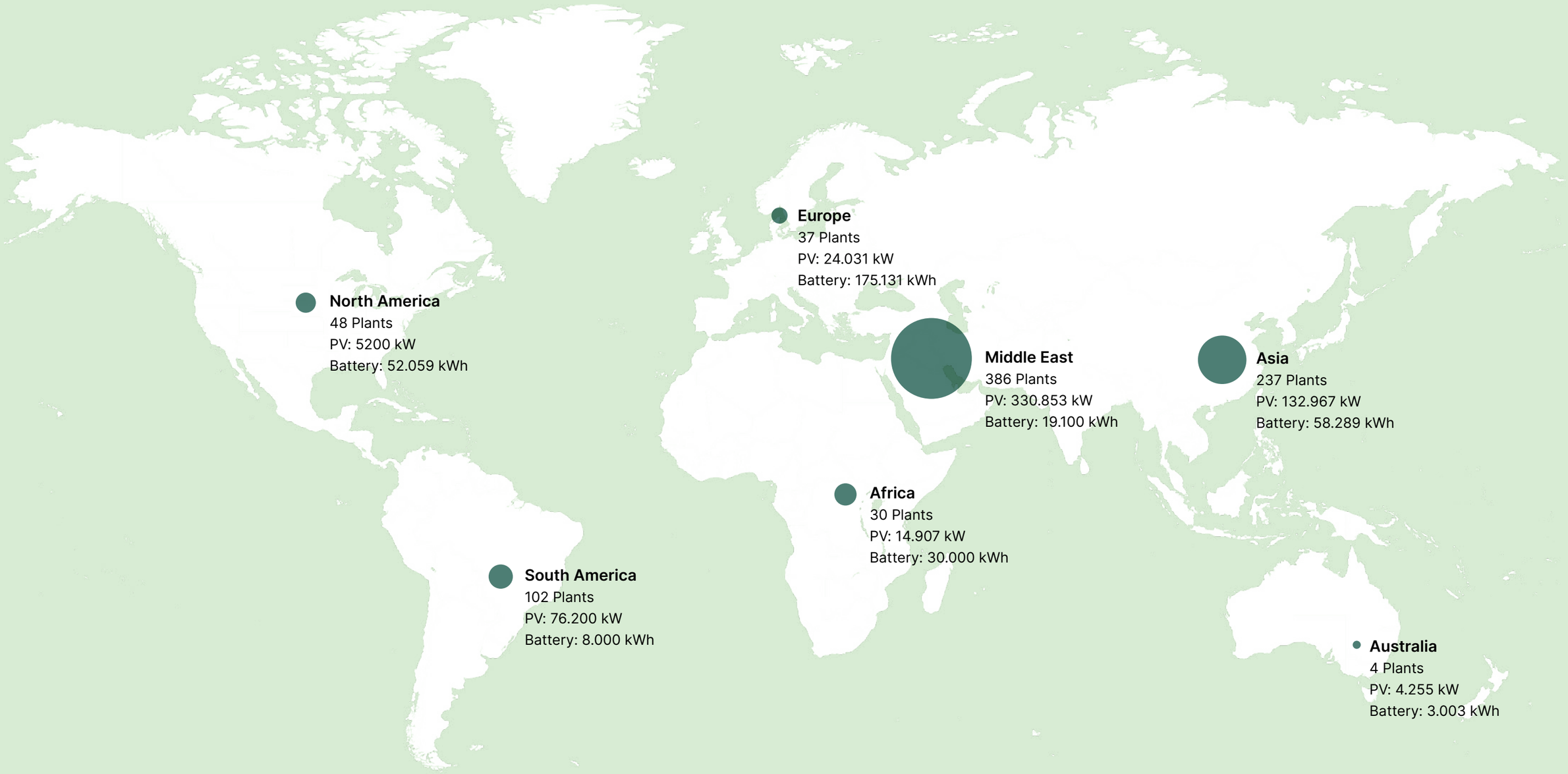
EODev produced a number of hydrogen fuel cells where DEIF AGC 4 (Advanced Genset Control) integrates these fuel cells into the power systems.

iE250 for dual fuel solutions

We extended our collaboration and business with e-power, a Belgium based manufacturer of a complete range of generators for a variety of applications. DEIF is supplying advanced controllers, including the new iE250 which will be part of e-power's dual fuel solutions from 2025.

Powering the world with microgrids

Hybrid microgrid control solutions provided by DEIF (Accumulated since 2015)



844 Plants
(2024: +261)

588 MW Solar (PW)
(2024: +141 MW)

341 MWh Battery
(2024: +66 MWh)

Boosting our R&D activities

In 2024, an impressive 17.8% of DEIF's sales turnover was funneled into R&D activities (2023: 14.9%), driving innovation forward at a high speed, and the total number of people in R&D increased from 133 in 2023 to 139 in 2024. Furthermore, we expanded our collaboration with external specialists, consultants and research labs and universities in our development work.

Two major projects had high priority in DEIF's R&D activities in 2024: developing our new power converter product line in close collaboration with AVL, Silicon Austria Lab (SAL) and Wolfspeed and continuing the expansion of our iE-series, a range of products based on DEIF's embedded software platform DEP.

Frontloading ESG requirements in the R&D work

To address the steady stream of ESG requirements, our R&D function is looking to develop a process model that empowers the entire R&D organisation to integrate environmental requirements systematically into R&D projects.

One of the R&D departments most affected by the ambition to reduce the environmental impact of DEIF's products is the Hardware & Mechanics department. In 2024, the department held three workshops on sustainability in the design process. Furthermore, several specific projects were carried out, among others how the amount of lacquering on components could be reduced.

Next steps in 2025

- Strengthen capabilities to design more products for the green energy transition, broadening the product portfolio.
- Continue close cooperation between R&D and the sourcing team to reduce the environmental footprint of components.
- Continue close cooperation between R&D and the production team on automation of production processes.
- Appointment of a Senior Manager for Documentation & Sustainability Integration in R&D, who will drive and involve relevant colleagues in different sustainability activities across the R&D function.

New power converter technology

With the new iE Convert series, DEIF can offer the most efficient and compact power converter in the market for decentralized applications. The iE Convert launches in the second half of 2025.

New factory enables growth

Beginning of 2024, DEIF started production in the new factory in Denmark. The new factory is a showcase of energy efficient production with all production processes under one roof and a high degree of automation. Robots perform the heavy lifts and internal transportation, improving the working environment. Furthermore, the new factory allowed the insourcing of the production of Printed Circuit Board Assembly (PCBAs) in a fully automated solution.

Energy efficiency from A-Z

All machines and processes in the new factory have been planned and sourced with a special focus on high energy efficiency. For instance, the new factory features:

- On-site nitrogen production and reuse of the surplus heat from the compressor unit at the nitrogen plant.
- New heat pump combined with a geothermal system supplies the entire factory and the office complex with heating and cooling.
- 750 kW PV (photovoltaic) plant on the roof of the factory provides power to the factory and office complex in Skive.

Preparing for new power converter production

In 2025, production of the new DEIF converters commences after a year of careful preparation. The converters are bigger and heavier than other DEIF products, and a brand new, fully automated production line is being established. Among the new initiatives is lights-out testing (recurring, automated and unattended testing) of the converters before they leave the factory.

"Throughout the process with establishing the new factory, the employees were very much involved, and we had a good dialogue with the management. Learning new tasks and work routines can be stressful sometimes, but it is also exciting to be part of the process. The working environment has changed at the new factory, and everybody is involved in finding safe and good solutions."

Erik Brogaard, warehouse employee and union representative

Partnerships

Fast technological development, growing complexity and new sustainability requirements to products and solutions require partnerships that cut across traditional industry and organisational boundaries as well as memberships that give access to newest knowledge and talent pools. DEIF is involved in several partnerships and holds a number of memberships. The most important ones are described below.

Memberships of universities and science centres:

The memberships are based on close cooperation with the aim to nurture talent and foster innovation, getting access to a future workforce skilled in science, technology, engineering and enhancing our software capabilities and contributing to sustainable development initiatives.

Aalborg University (AAU)

Close cooperation between DEIF and AAU as regards PhD's, mentoring programs, internships, etc.

Science Centre that works to encourage young people to enter Science, Technology, Engineering, and Mathematics (STEM) education and jobs.

DEIF is a member of the science centre.

Chalmers in Sweden is a leading IT university.

Building software skills and how sustainability plays a part in our software development

Memberships:

Membership of the below organisations offers access to a network of professionals and industrial/maritime companies, fostering collaboration and new business within our industry. The memberships also provide opportunities to stay updated on the latest technologies and regulation, ensuring compliance,competitiveness and providing opportunities for influencing decisions on future regulation.

Member of Danish Maritime

We also work with classification societies like Lloyd, DNV GL with a special focus on energy transition

Member of the Danish Industry (DI) organisation

Board member of DI Energi

Member of Danish Chinese Business Forum

Denmark's largest China-focused network

Partnerships:

The below partnership are important to the development of DEIF's existing and future product offerings.

A leading mobility technology company

DEIF and AVL collaborates on development of cutting-edge power converter technology.

A global leader in silicon carbide technologies.

DEIF collaborate closely with Wolfspeed on power converter technology.

An industry focused research and development organization.

DEIF collaborates closely with SAL on converter technology, especially within power electronics, controller architecture and control strategies.

Provider of intelligent industrial solutions and cutting-edge electro-technical products for DEIF's analogue instruments.

Leading programming software for industrial controllers, contributing to the development of DEIF's PLC solutions.

Partnering to create tomorrows power converters

In 2024, DEIF entered into a partnership with AVL, Wolfspeed and SAL to co-create the world's most efficient and compact power converter for the increased electrification of the marine industry and other decentral energy systems.

The strategic partnership leverages DEIF's marine expertise, AVL's engineering excellence, Wolfspeed's pioneering silicon carbide technology and SAL's unique silicon carbide know-how.

Erwin Reisinger, Chief Engineer Electrification at AVL, Paul Wheeler, VP & GM Power Modules at Wolfspeed and Christian Nielsen, CEO at DEIF.

Outlook for 2025

Overall, the market demand for DEIF's solutions is expected to remain strong in 2025. The accelerating green energy transition and electrification of the energy and transport sectors drive demand for DEIF's products especially in Asia and Europe. Furthermore, we expect to continue the high activity level within efficiency improvements of diesel gensets, still prevalent in many geographies and applications. At the same time, the increased global presence of DEIF across all continents will support the company's growth.

The demand from the marine sector is expected to remain high, following the climate ambitions of the International Maritime Organization. The number of new-build dual-fuel vessels is increasing, and DEIF has a strong position as a preferred supplier of control solutions for the full range of hybrid, full-electric and traditional diesel-powered vessels.

In 2025, we expect a turnover growth of around 15% compared to 2024. We expect to improve earnings with a projected pre-tax result ranging from DKK 50 to 60 million (2023: DKK 40 million). Investments in R&D activities, in global market expansion and automation of production processes will continue at a level comparable to previous years. A substantial part of our investments is dedicated to new products, not least the new power converter product line, which will contribute to increased sales from 2026 and onwards.

Forward-looking statements

This Annual Report includes forward-looking statements on various matters, e.g., expected earnings and future growth. Such statements are subject to risks and uncertainties, because various factors, many of which are beyond DEIF's control, may cause actual developments and results to differ from the expectations set out. Such factors include, but are not limited to, the geopolitical environment, general economic and business conditions, competition, fluctuations in foreign exchange rates or raw material prices, changes in climate policy or legislation.

#1
Electrification

Electrification is a world-wide decarbonisation strategy.

The electrification trend offers new business opportunities for DEIF in sectors like transportation (cars, ships, trains), construction (machines), power production and grids (central and decentral), farming (irrigation, heating).

#2
Digitalisation and AI

The increased digitalisation and use of artificial intelligence (AI) relies on increased and uninterrupted power supplies.

Datacentres are a fast-growing business area for DEIF, notably critical power systems that ensure an uninterrupted power supply. Not only for datacentres but for the entire digital infrastructure of societies.

#3
Renewable energy sources

Renewable energy sources find their way into the world's power grids as an integrated part of the power mix.

An increasing number of off-grid communities and industrial sites establish micro-grids to ensure security of power supplies.

The integration and mix of multiple energy sources call for advanced control systems, which is the core business of DEIF.

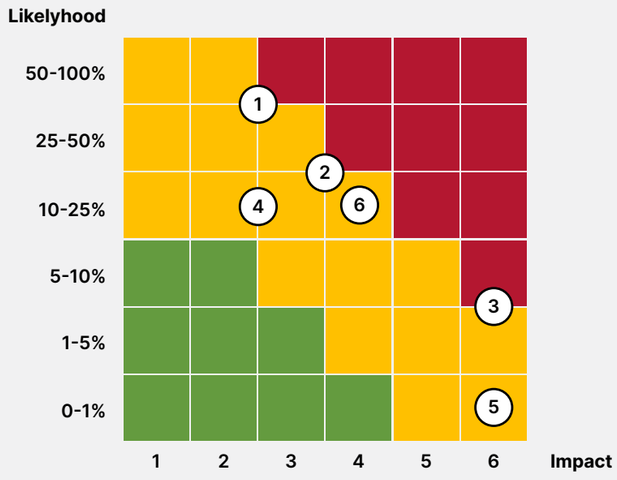
CORPORATE GOVERNANCE

Risk management

DEIF works with a risk management framework to identify, assess, prioritize and respond to major risks that can impact our business and strategy.

Major risks are selected and evaluated on a continuous basis by the Executive Management Team, based on the possible impact and the likelihood of the risks. Concrete actions and initiatives are initiated by the Executive Management to mitigate risks with a relatively high impact and likelihood.

The Board of Directors evaluates the risk matrix and related initiatives on an ongoing basis. DEIF's overall risk management process does currently not reflect the Impacts, Risks, and Opportunities (IROs) identified and assessed in the Double Materiality Assessment (DMA)



Financial risks

Interest risks
Moderate changes in the interest rate levels do not have a material impact on earnings. The interest rate risk is partially hedged by using financial instruments (interest SWAP).

Currency risks
DEIF operates internationally and the exchange rate development in foreign currencies impacts the results, cash flows and equity of the company. We systematically monitor the transactions in foreign currencies and manage the potential risk by hedging selected currencies if this is considered cost efficient compared to the total exposure. The largest currency risks are related to US Dollars and Yuan renminbi.

Credit risks
Customer credit lines are systematically monitored, and credit is given based on internally approved credit guidelines and limits. Credit insurance is used in relevant markets and towards selected larger customers. DEIF does not have risks related to single customers that can significantly impact the company's combined financial position.

	Risk description	Risk monitoring and mitigation
1	**Cyberattacks** DEIF, like other organisations with a global footprint and presence, is exposed to the risk of cyberattacks.	DEIF is at a good level and well organised to prevent cyberattacks. Preparations for compliance with NIS2 and ISO 27001 are well under-way. The employees receive regular training and DEIF's new iE-series offers state-of-the-art cybersecurity. We will continue to minimize the risk of attacks and the impact of potential attacks.
2	**General decline in market demand** A general stagnation or decline in market demand can limit our financial possibility to keep investing in new technology, solutions and market presence. We need continued growth to keep up and set the standard within energy control – our strategy leaves no room for a major setback.	DEIF runs a sound and resilient business that allows continuous investment in the development of the product portfolio and the global presence. Adding new products to the portfolio and expanding our global presence render DEIF less vulnerable to a market decline. We will continue to develop the product portfolio and the global presence and at the same time investigate alternative financing options
3	**Securing success in new product segment: power converters** Developing, manufacturing and marketing a new product line imply risks in terms of competences and capabilities, all the way from R&D to service.	By partnering with strong companies like AVL and Wolfspeed, DEIF mitigates the risk associated with entering the market for converters. Choosing to produce highly efficient and compact converters based on silicon carbide increases the market interest and reduces the risk. We will allocate the necessary resources going forward to ensure an efficient launch and full ramp-up by the end of 2025.
4	**Failure to achieve climate commitment** DEIF's target is a 42% carbon emission reduction, Scope 1-3, by 2030 compared to the 2023 baseline. The majority of the reductions comes from Scope 3, upstream, from the production of PCBs and other electronic components. DEIF is dependent on sub-suppliers to bring down the Scope 3 emissions and the green transition to take place all over the world to reduce the energy-used for our products.	By entering into close collaboration with suppliers of PCBs, Integrated Circuits (ICs) and semiconductors, DEIF expects to meet the target. By the end of 2025, we expect to be able to source around 75% of PCBs (based on weight) from areas powered by a larger share of renewable energy. We will continue to focus on pursuing Scope 3 reductions in close cooperation with our suppliers.
5	**Microchip shortage in the global market** The increasing digitalisation puts pressure on the availability of microchips and other electronic components. As a medium-sized player in the global marketplace, DEIF has to hedge against threats to its supply chain.	By building close relationships with suppliers of PCBs, ICs, semiconductors, and other vital components, DEIF sustains a resilient supply chain. Nearshoring is an important strategy to avoid bottlenecks in global logistics and as a new initiative, we will also investigate a new initiative regarding "PCB Circular Economy". We will continue to build resilience in every aspect of our business.
6	**Geopolitical risks** The risk of geopolitical disruption is growing, threatening both downstream trade and upstream supply chains.	The DEIF Board of Directors and Executive Management closely monitor geopolitical risks to be able to react fast to changes. DEIF's strategy of a global and regionalised presence enhances resilience to geopolitical unrest. We will continue to closely monitor and manage geopolitical risks.

Board of Directors

Toke Foss
Chair and owner, born 1960
Not independent

Board member and chair since 2021

Other positions
- Chair of the board in FOSSFLAKES A/S and FJV Foss Holding A/S
- Board member in DI Energi

Experience/core competences
- As CEO in DEIF 1986-2021: Transformed the company from a small supplier of electrical instruments to a global technology leader within the green energy transformation.
- As board member in Skive Geotermi, Energifonden Skive, GreenLab Skive, DI Energi and Regeringens Klimapartnerskab: Extensive knowledge about the green energy transformation.

Birgitte Brinch Madsen
Deputy chair, born 1963
Independent

Board member since 2015
Deputy chair since 2021

Other positions
- Chair of the Board in Delpro A/S, RUM A/S, and Milton Huse A/S
- Deputy Chair of the Board in Danske Invest funds
- Board member and chair of the Audit and sustainability committee in Metroselskabet I/S
- Board member in Hovedstadens Letbane I/S
- Non-executive Director and member of the Audit Committee and Renumeration Committee in John Wood plc.

Experience/core competences
- Extensive, global leadership experience within the energy sector from positions with COWI and AP Møller Maersk.
- Board and Non-Executive experience in listed as well as privately held and public own companies within energy and infrastructure.
- Knowledge and understanding of energy transition, energy efficiency and green energy technologies.
- Key contributor in ESG direction and target setting as a member of the Sustainability committee in John Wood Plc.

Frederik Buciek Foss
Board member and owner, born 1992
Not independent

Board member since 2017

Other positions
- Lead Finance Partner in Ørsted A/S
- Member of the DEIF Sustainability Committee

Experience/core competences
- Finance Business Partnering.
- Performance Management.
- Strategic transformational projects (working in TMO placed under the CFO).
- Commercial knowledge within the offshore wind energy sector.

Valdemar Foss
Board member and owner, born 1997
Not independent

Board member since 2021

Other positions
- Network Operations Center Specialist in Spirii Aps

Experience/core competences
- Engineering and technical specialist within green energy sector.
- Extensive experience and technical expertise in e-mobility sector, with focus on charging infrastructure.
- Technical knowledge about power systems and energy management systems.

Malene Richter Christensen
Board member, born 1975
Independent

Board member since 2021

Other positions
- CFO of Telenor Denmark A/S
- Chair of the board in MVNO Systems A/S
- Chair of the board in TN Finance A/S
- Member of the DEIF Sustainability Committee

Experience/core competences
- Executive experience combining strategic proficiency and commercial acumen across a range of industries.
- Extensive M&A experience and deep involvement in the energy sector. Expertise spans Strategy, CFO, implementation of CSRD, ESG, EU Taxonomy, finance and business transformation.
- Proven ability to lead complex initiatives and drive value creation.
- Experienced non-executive board member, with a deep focus on governance, delivering value, and navigating complex organisational and sectoral landscapes.

Board of Directors

Humphrey Lau
Board member, born 1966
Independent

Board member
since 2023

Other positions

- Group CEO DESMI A/S
- Member of the Board in Kamstrup A/S

Experience/core competences

- International management.
- Global P&L responsibilities.
- Management of industrial manufacturing companies within Process industry, Pharmaceuticals- and Biotechnology companies.
- Industrial B2B sales & marketing.
- R&D and business development of industrial sustainable solutions.

Ole Ravnborg
Board Member, born 1962
Employee Representative

Board member and chair
since 2007

Other positions

- Hardware Designer in DEIF A/S

Experience/core competences

- Extensive experience in hardware design and development, including product architecture.
- Technical knowledge about the entire product development process, including test strategy at DEIF.
- Experience as an auditor within quality and environmental management.
- Knowledge about the impact and integration of sustainability on component/product level.

Jacob Danielsen
Board Member, born 1974
Employee Representative

Board member
since 2019

Other positions

- Product Business Manager, New Energy and Storage in DEIF A/S
- Team lead, New Energy Segment in DEIF A/S

Experience/core competences

- Controls specialist within Hybrid, Wind, Energy Storage, PV and Fuel Cells.
- Technical and commercial knowledge in Energy management, future trends and innovation. Product specification, development and market launch.

Gitte Jespersen
Board Member, born 1967
Employee Representative

Board member
since 2023

Other positions

- Senior R&D Manager - Documentation & Sustainability Integration in DEIF A/S
- Member of the DEIF Works Council.

Experience/core competences

- Extensive experience within people management, development processes and project management.
- Knowledge in ESG and the integration of sustainability initiatives.

Executive management

Christian Nielsen

Group CEO

DEIF since 1996
Executive Management since 2002

Henrik M. Andersen

Senior Vice President

Group Finance
DEIF since 2004
Executive Management since 2014

Chanette Nyrup Oksborg

Senior Vice President

Global Operation
DEIF since 2014
Executive Management since 2014

Marjanne Grønhøj

Senior Vice President

HR, Communication & Sustainability
DEIF since 2015
Executive Management since 2015

Jan Harding Gliemann

Senior Vice President

Research & Development
DEIF since 2019
Executive Management since 2019

Badrinarayanan Suresh

Senior Vice President

Business Development
DEIF since 2010
Executive Management since 2023

Jean-Michel Caillol

Senior Vice President

Sales & Marketing
DEIF since 2016
Executive Management since 2023

ESG competences

In 2022, the Executive Management Team participated in an internal leadership development program with the aim of ensuring a common understanding of our sustainability work and building sustainability competencies in general – as well as a special module targeting greenwashing. In addition, the Executive Management has been actively involved in the preparation of the Double Materiality Assessment, the decarbonisation plan and the setting of the objectives in relation to SBTi.

ESRS 2 – GOV-3: Integration of sustainability related performance in incentive schemes

Incentive schemes are only offered to subsidiary managers and selected people in the subsidiaries. The incentives are currently only related to sales growth and the strategy and ambitions of the subsidiaries/DEIF. Consequently, there are no incentive schemes linked to sustainability matters for any supervisory bodies.

SUSTAINABILITY STATEMENTS

General information

The sustainability statements are prepared to depict DEIF's strategies, policies, targets, activities and results within environment, social and governance. We strive to provide relevant and accurate information that describe the Impacts, Risks and Opportunities (IROs) associated with DEIF's business.

The structure and content of the sustainability statements reflect the European Sustainability Reporting Standards and the Double Materiality Assessment carried out in 2023. While DEIF first needs to report on material IROs from the financial year 2025 on (pending approval of Omnibus "stop-the-clock" proposal by the EU Parliament), this report already includes some disclosure requirements, such as the overall structure and some of the General Disclosures required in ESRS 2.

In this report, we present the sustainability statements and the financial statements in a consolidated report in accordance with the Corporate Sustainability Reporting Directive, covering the period from January 1 to December 31, 2024.

General Disclosures

Basis for Preparation (BP)

ESRS 2 – BP-1 General basis for preparation of the sustainability statement

The report has been prepared on a consolidated basis with all entities and subsidiaries included. This applies to all parts of the report – both the sustainability statements and financial statements. In some cases, where we only have data for DEIF's headquarters, this is specified.

The sustainability statements cover all upstream and downstream activities with varying levels of details, depending on the availability of data and information. If no supplier or customer specific data is available, underlying assumptions are disclosed. IROs have been included for all direct and indirect business relationships as described in the DMA.

No relevant information has been omitted due to intellectual property, know-how or the results of innovation.

ESRS 2 – BP-2 Disclosures in relation to specific circumstances

We apply the same definition of time horizons in the financial and sustainability statements, i.e. one year for short-term, two to five years for medium-term and more than five years for long-term.

There is no information included in the sustainability statement stemming from other legislation or generally accepted sustainability reporting standards, which require DEIF to disclose sustainability information.

We strive to make the data relevant, trustworthy, comparable, verifiable and understandable, linking past, present and future as far as possible. Where value chain estimations were necessary, they are detailed in Appendix 1: Value Chain Estimations.

A list of disclosure requirements complied with in preparing the sustainability statement will be provided for the financial year 2025. This also includes the table of all the data points that derive from other EU legislation as listed in ESRS 2 Appendix B.

Interacting with primary stakeholders

ESRS 2 - SBM-2: Interests and views of stakeholders

Stakeholders	Purpose of engagement	Engagement - how is it organised and how are outcomes taken into account
Owners and financial partners	• Corporate strategy • Corporate governance – business ethics • Financial and ESG results • Risk management	The owner family is strongly represented on the Board of Directors and oversees the preparation of strategies, risk analysis, Code of Conduct (CoC) and supervises the performance of the company in general. The Board sets goals and follows up on financial and ESG ambitions and targets. The Board has established a dedicated Sustainability Committee that provides sparring and inspiration to the sustainability work and receives updates on the important projects to facilitate decisions on the Board.
Employees at DEIF	• Culture and leadership • Health, wellbeing and safety • Development opportunities • Diversity and inclusion • Human rights, labour rights	We encourage our employees to take part in the development of the company, e.g. as cultural ambassadors, sustainability ambassadors, members of the Young Advisory Board, members of the senior network etc. We offer development opportunities in existing roles, for new positions or developing the competence level in general. We have a global health and safety organisation in place, a committee for collaboration in Denmark and the DEIF Code of Conduct for employees ensures that all basic rights are in place. Employee Satisfaction Surveys and yearly Employee Development Dialogues are other ways to engage in and impact the organisation and processes.
Customers	• Products and pricing • Quality and certification • Cybersecurity • Delivery performance • Service and support • Sustainability	We have a strong global presence to be close to our customers, to listen to and fulfil their needs with high-quality, flexible, certified and cybersecure products. We use NPS (Net Promoter Score) to track customer satisfaction and get important feedback that makes it possible to react if something needs to be adjusted. Close dialogue with customers brings vital input to product development and strategic plans. Further, customer audits at DEIF help us identify areas that can be improved.
Channel partners	• Products and pricing • Quality and certification • Cybersecurity • Delivery performance • Partnerships	We work closely with dealers and distributors to ensure that we support them in building our common business. The partners also provide important market information to DEIF. The DEIF Academy offers classroom and online training, whitepapers, etc. We support with advice and customisation when needed.
Suppliers	• Financial solidity and payment of bills • Partnerships	All suppliers must adhere to DEIF's Supplier Code of Conduct. We carry out audits of new suppliers and re-audits of existing suppliers and lead discussions with those contributing with large GHG emissions to our GHG inventory. With selected suppliers, DEIF has entered into a close collaboration, to identify levers for decarbonisation.
Authorities	• Compliance with legislation, standards, certification schemes, etc.	Monitoring of DEIF's compliance obligation is decentralized. While DEIF's general counsel monitors and ensures that DEIF is compliant with national and international legislation affecting all of DEIF, such as export control and GPDR, other departments/ working groups work with other parts of national and international compliance obligations. For example, Product Approval monitors product specific requirements of other bodies of standardization and certification.
Local communities	• Pollution (noise, effluents, air pollution) • Employment opportunities • Sponsorships	DEIF has processes and procedures in place to avoid pollution of the local environment. There are also procedures in place to remediate situations if pollution occurs despite the implemented measures. DEIF offers employment opportunities for marginalized groups and sponsors local activities. DEIF engages in several community initiatives.
Universities and other educational institutions	• Traineeships • Semester/ Dissertation Projects	DEIF cooperates with universities and other technical schools many places. We offer opportunities for students such as cases for theses, sharing future job possibilities, company visits, traineeships and mentorships.

Double Materiality Assessment

In 2024, we established a deeper understanding of the requirements following the Double Materiality Assessment carried out in 2023 to prepare for compliance with the ESRS standards. The DMA was initially carried out by various internal stakeholders and consultants from Nordic Sustainability. The results of the DMA were approved by the Executive Management and the Board of Directors.

DEIF assesses the need to revise the DMA on an annual basis, while a full revision is scheduled to take place at least every 5 years.

ESRS 2 – IRO 1: Description of the process to identify and assess material impacts, risk, and opportunities.

The following methodologies and assumptions have been applied to identify impacts, risks, and opportunities:

Methodology:
All DEIFs activities and its entire value chain activities have been included in the Double Materiality Assessment

• **Scope:** All 90+ sustainability topics referenced in Application Requirement (AR) 16 of ESRS 1 were scored using the concept of double materiality (DEIF's impact on the environment and/ or people + financial risks and opportunities for DEIF associated with environmental, social, or governance topics) for both DEIF's own operations and value chain, using thorough ESRS-based methodology.

The topics were scored based on internal company data for own operations, and industry average data for the value chain, using a set of scoring keys developed by an external consultancy.

In the scoring process we applied the following assumption: Impacts that have occurred or are likely to occur in the electronics value chain, are also likely to occur in DEIF's value chain. This is the case even if impacts are only publicly documented or based on the nature of the supply chain in general and might not be directly linkable to DEIF.

The DMA process does not focus on specific activities, business relationships, geographies, yet looks at the broad spectrum of potential and actual impacts.

The process considers DEIFs impacts through own operations as well as impacts occurring as a result of its business relationships. All ESRS topics, subtopics, and sub-sub-topics were scored separately for own operations and DEIFs value chain. This is due to most impacts occurring in the value chain. The results depict that this distinguishment is necessary, as impacts vary in size as well as in overall materiality depending on the location in the value chain.

24 material sustainability matters were identified for DEIF's own operations, whilst 52 material matters were identified for DEIF's value chain.

• **Scoring:** To facilitate a systematic impact assessment, a set of scoring keys was employed, including three distinct E, S, G scoring keys for negative and positive impacts respectively, and two financial scoring keys for evaluating risks and opportunities. The keys followed guidance from ESRS, where applicable.

The impact topics were categorized for own operations and/or the value chain, considering actual and potential impacts.

Each sustainability topic underwent dual scoring: first, for ESG impact on a 0-5 scale, with 0 as no impact and 5 as absolute impact, and second, for financial risk on a 0-4 scale, indicating the magnitude of risk. ESRS 1 frames 3.4 and 3.5 were used to score both impact materiality and financial materiality.

Impact Materiality:
For negative impact materiality scoring was applied to severity and likelihood; severity was separately assessed for scale, scope, and irremediable character. Positive impacts were assessed according to ESRS 1 section 3.4: Impact Materiality, namely scale and scope for actual positive impacts and additionally likelihood was assessed for potential positive impacts. For potential human rights impacts, severity took precedence over the likelihood, as per ESRS 1 para 45.

Likelihood of occurring:

- **Low (Scoring 1):** Not expected, but there is a slight possibility it might occur at some time [1-5% probability of occurring]

- **Very high (Scoring 4):** Suspected to occur in most circumstances as there is a history of regular occurrence in DEIF or similar companies [More than 50% probability of occurring]

Financial Materiality: Financial materiality was assessed by rating the magnitude of the financial effect and the likelihood.

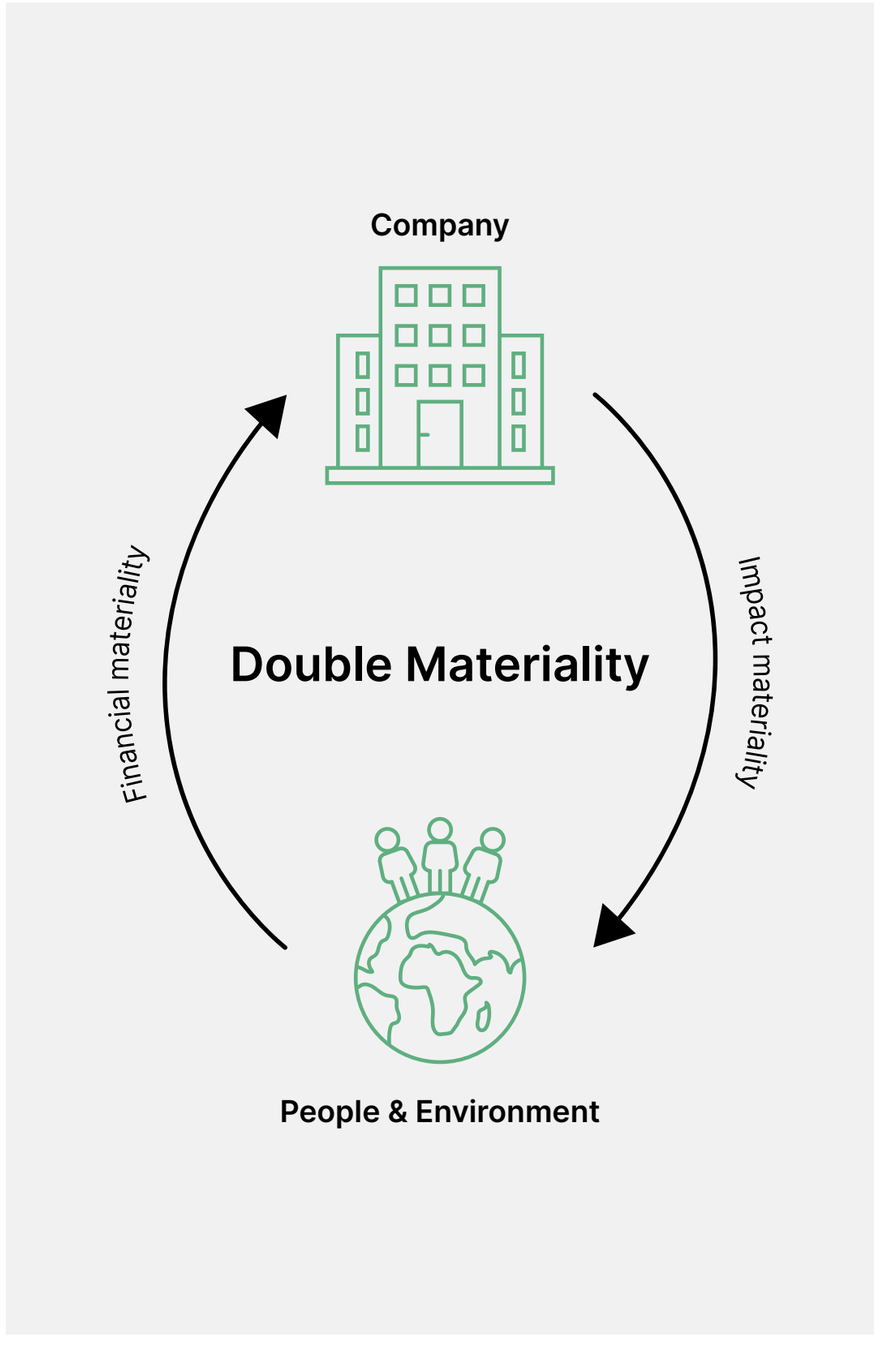
The identification, assessment and prioritization of risks and opportunities, which have or may have financial effects was done using the following scoring key (0-4):

Magnitude of Risk/Opportunity

- **Financial Risks/ Benefits**
  Low (Scoring 1): < 10 DKKm
  Very high (Scoring 4): > 50 DKKm

- **Reputational Risks/ Benefits**
  Low (Scoring 1): Reflects badly/ well on the firm but no persistent impact

- **Very high (Scoring 4):** Permanent damage/improvement of brand value and leader status in the industry.



Currently sustainability-related risks are not prioritized relative to other types of risks. Sustainability-related risks are currently visualized separately from the overall risk management process – see ESRS 2, IRO-1, 53f.

• **Threshold:** The cut off for impact materiality as well as financial materiality was set at 2.0. A threshold of 2.0 was chosen as it represents an accurate picture of DEIF's material IROs. The various levels of materiality translate to the following assessments: 0-0.9: Minimal; 1.0-1.9: Informative; 2.0-2.9: Important; 3.0-3-9: Significant; 4.0-5.0: Critical.

• **Data sources:**
- Publicly available sources on documented value chain actual and potential impact within the industry
- Review of previous materiality assessment documentation
- Internal documents and interviews to understand the nature of the business and DEIF's value chain
- Existing risk assessment

• **Stakeholder Involvement:** A stakeholder mapping workshop determined both relevant internal as well as external stakeholders. Both stakeholder groups were involved throughout the process, providing input and validating findings.

Users of sustainability reporting as well as affected stakeholders were consulted, both internal as well as external stakeholders.

Internal stakeholders were a core team, which gave input to the preliminary scoring of material topics. C-suite interviews as well as ESG workshops were conducted to confirm the results of the scoring. In addition, the results of an employee satisfaction survey were also used as input.

External stakeholder interviews were conducted. DEIF was only able to secure four interviews – two suppliers, one customer, and one bank. This shall be expanded to additional external stakeholders in the next revision of the DMA. This revision will focus on integrating more perspectives, particularly of additional affected stakeholder groups.

Overview of the process:
All financial effects have been mapped and scored alongside impact materiality for all ESRS topics and sub-topics, divided into effects in the value chain and own operations separately.

There were no ESRS sub or sub-sub-topics identified, which were material from the financial materiality perspective only. However, various sustainability matters which were material from the impact perspective also triggered financial materiality.

The Core team as well as internal topic experts validated the DMA results, prior to the presentation of the preliminary results to members of Executive Management. Executive Management and the Board of Directors approved the results of the Double Materiality Assessment in Dec 2023 and Nov 2024 respectively

The following overview depicts the standards, which are material to DEIF. Materiality across the value chain varies for some standards. This is the case for e.g. ESRS E3: Water and Marine Resources, which has been determined to be non-material for own operations, as the only water usage on DEIFs premises is connected to staff use of lavatories, drinking water, and the canteen. No water is used in production.

All IROs are listed in further detail in the tables following this overview.

We have also included entity-specific topics, where DEIF identified both positive and negative impacts, which are beyond the scope of the respective standard.

Energy efficient products contributing to positive impact for end users
We are addressing entity-specific issues as our energy-efficient products contribute to reducing our customers' climate impact. Our energy management systems are designed to increase energy efficiency, reduce fuel consumption, and extend the lifespan of our customers' installations, thereby helping to lower their emissions.

Additionally, our new silicon carbide power converter minimizes energy loss during power conversion and operates efficiently at high temperatures, voltages, and frequencies. Future investments in developing and partnering for the iE convert series will further enhance energy efficiency and compactness, using fewer materials compared to existing products on the market today.

	ESRS Topical Standards (Material)	Entity-specific topics:
Environment	E1: Climate Change	Energy efficiency at customers' system
	E2: Pollution	
	E3: Water & Marine Resources (only VC)	
	E4: Biodiversity & Ecosystems	
	E5: Resource Use and Circularity	Retrofit of wind turbines, product repair service, E-waste
Social	S1: Own Workforce	
	S2: Workers in the Value Chain	
	S3: Affected Communities	
	S4: Consumers and End-Users	
Governance	G1: Business Conduct	

Material Impacts, Risks, and Opportunities (IROs)

Overview of our material IROs
The following tables list our sustainability-related IROs that were identified and assessed as material as a result of the DMA process. For impact materiality, the sub-topics were scored with either an "important", "significant", or "critical" level of materiality (see methodology description about "Threshold" on page 30). For financial materiality, identifying risks and opportunities for DEIF, the same scoring applies.

For each ESRS topic, we specify which sub-topics the IROs relate to, in alignment with AR16 from ESRS 1. e.g. in ESRS 'E Climate change', the sub-topics are 'climate change mitigation', 'climate change adaptation', and 'energy'. Each material IRO is listed with an overall description of the IRO. In addition, we specify if an impact is actual or potential and if the impact is positive or negative. Furthermore, the location of the IRO within the value chain is stated – own operations (OO) or in the upstream and downstream value chain (VC). Where the materiality only applies to upstream or downstream, this is specified. Finally, the time horizon is listed, for when the IRO is likely to occur and which materiality level the IRO was scored at.

Environment: **E1: Climate Change**

DEIF's material IROs relating to Climate Change stem mainly from early upstream processes (e.g. mining and material processing) and during the product usage. GHG Inventory results reveal that over 98% of GHG emissions are attributed to Scope 3, particularly the categories of "Purchased Goods and Services" and "Use of Sold Products". Yet, it is important to also manage and measure GHG emissions associated to own operations. Supply chain disruptions due to the effects of climate change as well as energy related risks are also material in DEIFs DMA.

	IRO	+/-	A/P	OO/VC	Time horizon	Materiality level
Entity Specific Material Topics						
Our energy management systems give our customers the advantage of energy efficiency.*	I	●	P	VC (downstream)	S, M, L	Critical
Financial gains due to increased focus on energy efficiency and ability to deliver matching solutions.	O			VC	S, M, L	Significant
1 Climate Change Mitigation						
Effects of climate change in the value chain, potentially leading to supply chain disruptions.	R			VC	M	Important
2 Climate Change Adaptation						
Direct emissions stemming from DEIF's HQ and subsidiaries.	I	●	A	OO	S, M, L	Significant
Public focus on sustainability influencing competitiveness in the market (f.eks. tender processes).	R			OO/ VC	M/ S	Important
Direct emissions stemming from DEIF's VC, especially in early upstream and late downstream stages.	I	●	A	VC	S, M, L	Critical
3 Energy						
Energy consumption from non-renewable sources.	I	●	A	OO	S, M, L	Important
Energy prices. Brownouts/ blackouts or shortages.	R			OO	S	Important
Energy consumption from non-renewable sources within DEIF's VC.	I	●	A	VC	S, M, L	Critical
Energy prices and energy shortage risks in the VC, particularly as upstream VC is energy intensive.	R			VC	S	Important
Risk to EBIT and reputation if tenders are not won due to sustainability requirements, and if market expectations for Scope 3 reductions are not met.	R			VC	S	Important

* The level of energy efficiency impact are depending on how the customers are using the products

IRO: Impact, Risks and Opportunities; green/grey: positive or negative impact, A/P: actual or potential impact, OO/ VC: Own Operations or Value Chain, S/M/L: short, medium, and long-term

Environment: **E2: Pollution**

DEIF's material IROs relating to Pollution stem from the large potential risk of ecosystem pollution during the upstream value chain, e.g. mining, material processing, and refining. While some VC impacts are potential due to lack of directly linkable evidence, the issues occur in the type of value chain DEIF operates in and are therefore very likely to be present.

	IRO	+/-	A/P	OO/VC	Time horizon	Materiality level
1 Pollution of Air						
Emissions from company cars as well as business travel of own workforce.	I		A	OO	S, M, L	Significant
Emissions from upstream VC and transportation (upstream and downstream).	I		A	VC	S, M, L	Significant
2,3 Pollution of Water, Pollution of Soil						
Chemicals used in the upstream VC, which might pollute waterways through leaks; negative effects from mining activities on water & soil quality (e.g. release of heavy metals)	I		P	VC (upstream)	S, M, L	Significant
5 Substances of Concern						
Waste/ byproducts/ substances of concern potentially leaking into surrounding environment from own PCB assembly processes.	I		P	OO	S, M, L	Important
Extensive and/or improper use of substances of concern; in the upstream VC.	I		P	VC	S, M, L	Significant
6 Substances of Very High Concern						
Extensive and/or improper use of substances of very high in the upstream VC.	I		P	VC	S, M, L	Significant

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Environment: **E3: Water & Marine Resources**

DEIFs material IROs related to Water and Marine Resources are limited to the upstream value chain. The upstream value chain exhibits water-intensive processes, especially during material processing and refining. In DEIFs own operations water is only consumed by employees, as there are no production processes that require water.

	IRO	+/-	A/P	OO/VC	Time horizon	Materiality level
1 Water						
Water withdrawals & Water consumption: Significant water withdrawals during upstream processes; water stress risk in certain areas.	I		A	VC (upstream)	S, M, L	Significant
Water discharges: Discharges into natural environments resulting from poorly managed wastewater/ mining discharges on water quality	I		P	VC (upstream)	S, M, L	Important
2 Marine Resources						
Water discharges in the oceans: Discharges into natural environment due to poorly managed waste water/ mining discharges.	I		P	VC (upstream)	S, M, L	Important

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Environment: E4: Biodiversity and Ecosystems

DEIFs material IROs related to Biodiversity and Ecosystems largely lie in the value chain with potential and actual damage to biodiversity stemming from upstream resource extraction, e.g. mining processes. There are only limited small-scale potential impacts in own operations, e.g. around Skive, given the limited size of the land occupied.

	IRO	+/-	A/P	OO/VC	Time horizon	Materiality level
1 Direct Impact Drivers of Biodiversity Loss						
Climate Change:						
GHG emissions related contribution to biodiversity loss (small scale for OO).	I		P	OO	S, M, L	Important
Significant impact on biodiversity loss caused by DEIF's value chain contribution of GHG emissions.	I		A	VC	M	Significant
Land-Use, Fresh Water Use and Sea-Use Change:						
Minor impact on biodiversity, due to land-use by DEIF offices, potentially having required land-use change.	I		P	OO	S, M, L	Important
Land-use change in DEIF's value chain e.g. mining activities.	I		A	VC (upstream)	S, M, L	Important
Polution: Negative impact on biodiversity because of pollution risks along the value chain, particularly in the upstream	I		P	VC	S, M, L	Significant
3 Dependencies on Ecosystem Services						
Land Degradation:						
Minor potential impact on biodiversity due to land use-change/ land degradation at DEIFs offices	I		P	OO	S, M, L	Important
Negative environmental impact due to the land-use change and potentially degraded in DEIF's value chain e.g. mining activities.	I		P	VC (upstream)	S, M, L	Significant
Desertification: Negative environmental impact due to land-use change and potentially resulting desertification, e.g. mining activities.	I		P	VC (upstream)	S, M, L	Important
Soil Sealing: Negative impact on biodiversity, due to land being converted into industrial areas requiring soil sealing	I		A	VC	S, M, L	Important
4 Impacts and Dependencies on Ecosystem Services						
DEIF's VC relying on certain ecosystem services, most importantly water.	I		A	VC (upstream)	S, M, L	Significant

IRO: Impact, Risks and Opportunities; green/grey; positive or negative impact, A/P: actual or potential impact, OO/ VC: Own Operations or Value Chain, S/M/L: short, medium, and long-term

Environment: E5: Resource Use & Circularity

DEIFs material IROs related to Resource Use & Circular Economy are two fold: negative impacts, based on the type of materials used for DEIF's products, primarily relying on virgin resources and the creation of e-waste. On the other hand there are positive impacts on wind-mills life-time - extended through retrofit, and repair service offerings.

	IRO	+/-	A/P	OO/VC	Time horizon	Materiality level
Entity Specific Material Topic						
Life-Time Extension Through Wind Turbine Retrofit:						
Retrofitting of wind turbines: enabling life-time extension. Enabling of increased annual energy production (AEP) compared to AEP prior to retrofit.	I		A	VC (downstream)	L	Significant
Positive reputational opportunity due to life-time extension of wind turbines and increased AEP.	O			VC (downstream)	S, M, L	Important
Services:						
Repair Service Offerings: increasing product lifespan.	I		A	VC (downstream)	L	Important
Services related to circularity: supporting customers improve e.g. longevity of their systems.	O			VC	L	Important
E-Waste: Products at the end of their lifespan end up as e-waste	I		A	VC (downstream)	L	Significant
1 Resource Inflows/ Use						
Small impact: Use of non-renewable natural resources such as natural gas and fuel for cars. Big impact: products and components, consisting of various virgin materials, such as metals	I		A	OO	L	Important
Raw material price increase: impact on supplier prices and availability; Possible impact on reputation if delivery performance is reduced.	R			OO/VC	L	Important
Value chain dependency on virgin & natural resources (metals, water, and fossil fuels use in upstream energy generation).	I		A	VC	L	Critical
2 Resource Outflows (Products and Services)						
Resource outflows in the value chain - indirect harm through e-waste, packaging, etc.	I		A	VC (downstream)	L	Significant
Competitive disadvantage if outperformed on circularity in the long-term.	R			VC	L	Important
3 Waste						
Generation of waste, which is landfilled or incinerated.	I		A	OO	S, M, L	Significant
Multiple waste streams in VC; ending in landfills/ incinerated, or improperly disposed of.	I		A	VC	S, M, L	Significant

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Social: S1: Own Workforce

DEIFs material IROs related to Own Workforce relate to Work-life balance risks, risks related to gender inequality, lack of training opportunities, and missing due diligence process. Important that health and safety remain a priority moving forward.

	IRO	+/-	A/P	OO/VC	Time horizon	Materiality level
1 Working Conditions						
Secure Employment:						
Offering secure and long-lasting employment opportunities.	I	●	A	OO	S, M, L	Significant
Primarily full-time employees, normal contracts: Positive for reputation, employee satisfaction and brand reputation.	O			OO	S	Significant
Working Time / Work-Life Balance:						
Long working days for some employees, due to workload, affecting work/ life balance.	I	●	P	OO	S, M, L	Important
Legal consequences due to breach of overtime laws. Effect on employee retention, future talent attraction, and long-term sick leave.	R			OO	S, M	Important
Health and Safety:						
Health and safety, some of which resulted in serious harm.	I	●	A	OO	S, M, L	Critical
Health and Safetly risks due to negilgence.	R			OO	S	Significant
2 Equal Treatment and Opportunities for ALL						
Equal Pay for Work of Equal Value:						
Gender pay gap. Extend currently unclear at DEIF.	I	●	P	OO	S, M, L	Important
Reputational damage, affecting talent attraction and employee turnover.	R			OO	S	Significant
Gender Equality:						
Inequal ratio of males/females in the workforce.	I	●	A	OO	S, M, L	Important
Public attention on gender equality: risk for reputational damage, talent attraction, employee turnover.	R			OO	S	Important
Training and Skills development: Lack of training opportunities for employees can negatively affect their professional development.	I	●	A	OO	S, M, L	Important
Violence and Harassment in the Workplace:						
Incidents of harassment/ bullying.	I	●	A	OO	S, M, L	Significant
Insufficient measures on serious harassment and violence incidences: wide-spread media attention.	R			OO	S	Important

IRO: Impact, Risks and Opportunities; green/grey: positive or negative impact, A/P: actual or potential impact, OO/ VC: Own Operations or Value Chain, S/M/L: short, medium, and long-term

Social: S2: Workers in the Value Chain

DEIFs material IROs related to Workers in the Value Chain are symptomatic for the electronics industry. There are therefore various potential risks of violations of fundamental working and human rights in the upstream value chain, particularly among Asian factory workers and in resource extraction stages.

	IRO	+/-	A/P	OO/VC	Time horizon	Materiality level
1 Working Conditions						
Secure Employment: Use of temporary workers in VC: financial instability of workers.	I	●	P	VC (upstream)	S,M,L	Significant
Working Time: Unknown for parts of VC (i.e. mining, material extraction) - tier 2-4 suppliers.	I	●	P	VC (upstream)	S,M,L	Significant
Adequate Wages: Unpaid overtime in the industry, lack of labour rights in various countries of upstream VC.	I	●	P	VC (upstream)	S,M,L	Significant
Social Dialogue: Parts of VC: rights, social protection, just wages, equality and inclusion not guaranteed in several Tier 2+ countries	I	●	A	VC (upstream)	S,M,L	Important
Freedom of Association, incl. the Existence of Work Councils/ Collective Bargaining: Violation of worker rights (globally), consistent poor working conditions for factory employees in specific countries.	I	●	A	VC (upstream)	S,M,L	Important
Work-Life Balance: Severely impacted by unpaid work, extensive overtime, and lack of bargaining rights, incl. unstructured parental leaves, health and safety issues, etc.	I	●	P	VC (upstream)	S,M,L	Important
Health and Safety: Hazardous substances, lacking industrial hygiene measures, long working hours	I	●	P	VC (upstream)	S,M,L	Significant
2 Equal treatment and opportunities for all						
Equal pay for work of equal value: Statistical larger gender pay gap in lower-paid sectors and positions.	I	●	P	VC (upstream)	S,M,L	Significant
The employment and inclusion of persons with disabilities: General reporting of lower employment quality than their counterparts without disabilities.	I	●	P	VC (upstream)	S,M,L	Important
Violence and harassment in the workplace: Indication: Violence & Harassment is common issue in the electronics industry, both in Europe and Asia.	I	●	P	VC (upstream)	S,M,L	Significant
Diversity: Lack of diversity in the workforce including gender disparities at large across geographies and industries.	I	●	P	VC (upstream)	S,M,L	Significant
3 Equal Treatment and Opportunities for ALL						
Child Labour:						
Child labour in mines and quarries globally connected to electronics and construction industry.	I	●	P	VC (upstream)	S,M,L	Significant
Public cases of child labour: significant media attention and brand damage. (Limited risk due to proximity in VC).	R			VC	S	Important
Forced Labour:						
Labour or services through the use of force, fraud, or coercion in the value chain (has been reported in similar value chains as our).	I	●	P	VC (upstream)	S,M,L	Significant
Public cases of forced labour: significant media attention and brand damage. (Limited risk due to proximity in VC).	R			VC	S	Important
Adequate Housing: Housing security and housing poverty for factory workers.	I	●	P	VC (upstream)	S,M,L	Important
Water and Sanitation: Restricted access to e.g. bathroom breaks for factory workers in VC.	I	●	P	VC (upstream)	S,M,L	Important
Privacy and Protection of Data: Breach of privacy due to workplace surveillance in VC	I	●	P	VC	S,M,L	Important

Social: S3: Affected Communities

DEIFs material IROs related to Affected Communities are particularly related to the early upstream phase related e.g. to mining operations on indigenous lands. Risk of disturbance of local communities through e.g. wind turbines in downstream value chain. DEIF's products ending up in conflict areas or are used for controversial purposes, particularly as DEIF's products are also used in defense and military equipment. DEIF assessed having positive impacts on the community in Skive.

	IRO	+/-	A/P	OO/VC	Time horizon	Materiality level
1 Communities' Economic, Social and Cultural Rights						
Water and Sanitation: Mining activities creating pressure on water, power, and other resources in the vicinity of people/ communities.	I	●	P	VC (upstream)	L	Important
Land-Related Impacts: Mining activities can require land-use change, and can significantly disturb surrounding communities.	I	●	P	VC	S,M, L	Significant
Security-Related Impacts:						
Misuse of products from end-consumers (e.g. for military purposes), or suppliers being involved in armed/conflict areas.	I	●	P	VC (downstream)	S,M, L	Significant
Potential reputational and operational risks if operating in regions of social unrest/ armed conflicts.	R			VC	S	Important
2 Communities' Civil and Political Rights						
Freedom of Expression/ Freedom of Assembly: Severe restriction of political and civil rights for various Tier 2+ supplier countries.	I	●	P	VC (upstream)	S,M, L	Significant
Impacts on Human Rights Defenders: Severe restriction of political and civil rights for various Tier 2+ supplier countries and risk of punishment for human right defenders.	I	●	P	VC (upstream)	S,M, L	Significant
3 Particular Rights of Indigenous Communities						
Cultural Rights: Mining activities infringing on cultural grounds and rights.	I	●	P	VC (upstream)	S,M, L	Important
4 Surrounding Communities						
Reliable and long-term job opportunities and contribution to cultural activities in the community of Skive.	I	●	A	OO	M	Important

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Social S4: Consumers and End-Users

DEIFs material IROs related to Consumers and End-Users are primarily the accessibility of DEIFs products by customers, which can be particularly severe in case of e.g. critical infrastructure. There are potential impacts and risks connected to data security and privacy.

	IRO	+/-	A/P	OO/VC	Time horizon	Materiality level
1 Information Related Impacts						
Privacy:						
Breaches of GDPR principles on data protection and privacy data: infringement on consumer rights.	I	●	P	VC (downstream)	M	Important
Compliance and reputational risks due to breach of GDPR & privacy regulations; cyber-attack risks.	R			VC	M	Important
2 Personal Safety						
Health and Safety: Inadequate product/ safety manuals and disclaimers.	I	●	P	VC (downstream)	S, M, L	Important
3 Social Inclusion						
Access to Products and Services						
Inaccessibility of products and services, e.g. due to supply chain disruptions.	I	●	P	VC (downstream)	L	Important
Limited access to products/ services due to VC disruptions; Long-term: resource shortages.	R			VC	L	Important
Responsible Marketing Practices: Violation of national and EU legislation due to greenwashing, false advertising or over-inflating goals, targets and ambitions: reputational and compliance risk.	R			VC	M	Important

IRO: Impact, Risks and Opportunities; green/grey: positive or negative impact, A/P: actual or potential impact, OO/ VC: Own Operations or Value Chain, S/M/L: short, medium, and long-term

Governance: **G1: Business Conduct**

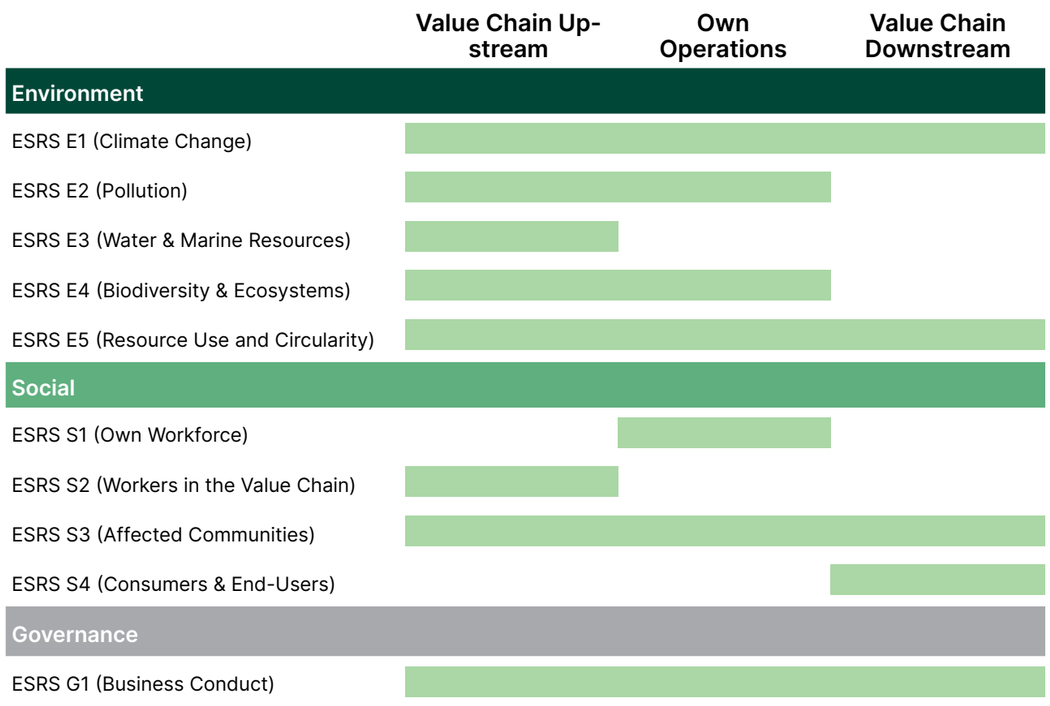
DEIFs material IROs related to Business Conduct are Risks related to governance, in own operations relating to e.g. corruption screening procedures. Risks exist both upstream and downstream if suppliers or customers do not comply with DEIF's Code of Conduct (CoC) and purchase agreements.

	IRO	+/-	A/P	OO/VC	Time horizon	Materiality level
1 Corporate Culture/Transparency						
Public and transparent communication of DEIFs values and culture, influencing public discourse on business ethics and business culture.	I	●	P	OO	M	Significant
Enforcement and advocating for a healthy corporate culture increases employee retention, productivity, talent attraction.	O			OO	M	Important
2 Protection of Whistle-Blowers						
Lack of knowlegde how to access the whistle-blower system/ Lack of trust in the system / Fear of reporting cases. Potentially inadequate protection/retaliation of whistle-blowers.	I	●	P	OO	M	Significant
No robust and accessible whistle-blower portals in place in VC. Potentially inadequate protection/retaliation of whistleblowers.	I	●	P	VC	S, M, L	Significant
4 Political Engagement & Lobbying Activities						
Engagement with community in Skive: reputational benefits in the long-term.	O			OO	L	Important
In case of lobbyism e.g. against progressive environmental or social policies.	I	●	P	VC	S, M, L	Significant
5 Management of Relationships with Suppliers incl. Payment Practices						
Upcoming stricter regulation influencing supplier relationship management.	I	●	P	OO	S, M, L	Important
Risks associated to need for managing suppliers more closely due to supply chain transparency legislation.	R			OO/ VC	M, L	Important
Mismanagement of sub-suppliers in the lower tiers of VC.	I	●	P	VC (upstream)	S, M, L	Significant
6 Corruption and Bribery						
Prevention, Detection and Training:						
Missing mechanisms for prevention, detection, and training of corruption and bribery for parts of DEIF.	I	●	A	OO	S, M, L	Important
Potentially inadequate measures to prevent corruption and bribery.	I	●	P	VC	S, M, L	Important
Incidents:						
Missing mechanisms in relation to the prevention, detection, and training of corruption and bribery might lead to incidents.	I	●	P	OO	S, M, L	Important
Significant reputational risks and potential compliance impacts. Even if primary responsibility lies with specific supplier/ business partner.	R			OO/ VC	M	Important
Corruption and bribery incidents (e.g. in mining industry).	I	●	P	VC (upstream)	S, M, L	Significant

IRO: Impact, Risks and Opportunities; green/grey: positive or negative impact, A/P: actual or potential impact, OO/ VC: Own Operations or Value Chain, S/M/L: short, medium, and long-term

DMA results and actions

Due to the complexity of DEIF's products and value chain the DMA revealed that almost all topical ESRS are material to some extent, depending on which part of the value chain is considered. The table below illustrates which topics are material for which parts of DEIF's value chain.



The completion of the first DMA confirmed material topics, which DEIF has been or is currently working on. The DMA process also shed light on topics, which have not received sufficient attention yet. It also highlighted the size of the gaps between the disclosure requirements and DEIF's existing work. The gaps vary depending on the sustainability topic and are both qualitative and quantitative.

Overarching DMA related projects
Following the DMA results, we have worked with two out of the five overarching recommendations made by our consultancy, which pinpointed a need to focus on some basic cross-topical structures:

- Ensuring DEIF subsidiaries are as ambitious as DK headquarters in the sustainability work: We have improved the data quality level for the GHG inventory at the subsidiaries and established a Sustainability Ambassador network to strengthen two-way communication and inclusion in DEIF's sustainability work. A series of interviews were also conducted to ascertain the level of maturity of several human rights' specific topics within the subsidiaries, establishing a baseline for creating a common minimum denominator for all sites. These topics included for example practices and rules regarding maternity leave, harassment and inclusion.
- Responsible supply chain with stronger supplier management & collaboration: DEIF has always had close collaboration with suppliers, yet the various topics within sustainability opened even more engagement possibilities with key suppliers. This has resulted in decarbonisation efforts, such as the PCB project (see page 45), and in open and honest knowledge and information sharing.

The other overarching recommendations resulting from the DMA, such as 'improving downstream knowledge', 'circular products & service offerings', and 'identifying and engaging with key affected communities', have not been initiated yet.

Topic-specific activities addressing material IROs
DEIF has worked with a range of sustainability topics for many years. In these cases, the DMA confirmed that the topics chosen were material to DEIF.

Five sub-topics were identified as critical according to the DMA scoring process, namely:

- Direct Emissions from the value chain (Scope 3)
- DEIF's power management solutions, resulting in energy efficiency gains for customers.
- Energy consumption based on non-renewable sources within the value chain
- Value chain dependency on virgin and natural resources (metals, water, and fossil fuels use in upstream energy generation)
- Health and Safety of own work force

31 topics reached the level of significance distributed over almost all standards.

The below examples illustrate how DEIF applies the material IROs for continuous improvements and aims at a strategic integration of the topics into the daily management and practices across the organization. The examples depict topics, which have either been assessed to be critical or significant.

Activities related to environmental topics/ sub-topics:
Climate Change has been a focal area since the last strategic intent from 2021 where a climate ambition was formulated. DEIF therefore calculated full GHG inventories over the last three years and created a high-level decarbonisation plan. In 2024 we also initiated decarbonisation projects, which addressed our own Scope 1 and 2 GHG emissions and commenced collaboration with our suppliers on decarbonising key components, such as PCBs (see page 45), tackling Scope 3 GHG emissions.

A central part of DEIF's product portfolio, namely power management systems, is designed to increase energy efficiency at the end user. In the case of diesel generator systems - combined or not combined with renewables - the use of DEIF's products can lead to fuel savings (see page 14 and 46), in the case of wind-turbine retrofit and upgrade this results in an increase in AEP (see page 14). While the efficiency gains with wind turbines can be quantified, the efficiency gains within other applications require insight into product usage data. It is a set goal to also quantify the efficiency gains, for those applications.

DEIF has begun to address some of the gaps identified regarding resource use and circularity (ESRS E5). This is also reflected in an increasing number of customer requests, and an internal wish to mature the area. We have therefore initiated projects and allocated resources to integrate environmental sustainability into product development with competence development as a key element.

Activities related to social topics/ sub-topics:
Sub-topics related to DEIF's own workforces have been addressed in various ways:

The workload has been large especially in R&D and production in the last years. We therefore work with several compensation models that reward the extra effort, and executive management has a special focus on limiting the need for overtime.

Gender pay-gap is another topic, which is in focus and requires a cross-functional approach.

The topic of bullying and harassment has previously been addressed in our "Code of Conduct" training sessions. Internal cases of harassment and bullying have been addressed directly to underline that DEIF has a zero-tolerance policy on harassment.

Activities related to governance topics/ sub-topics:
In 2024, DEIF's whistle-blower system was made available externally. As part of the UN Global Compact Accelerator Program on Business and Human Rights we are in the process of identifying way how to strengthen grievance mechanisms, as we are aware of potential trust issues towards the whistle-blower system.

Overview of DEIF's work with sustainability – 2024 & 2025

2024 was marked by various changes that strengthened the work with sustainability at DEIF. This includes both positive changes and progress and identification of shortcomings and focus areas for 2025.

As part of a customer initiated third party audit, a few areas were highlighted for mostly minor adjustments or improvement possibilities. Overall, the auditor highlighted the progress DEIF has made within various sustainability related topics.

At DEIF, we believe in sharing and exchanging knowledge beyond the walls of our company. We have therefore engaged with both customers, suppliers, as well as organisations in our network to share expertise and learnings to ensure that we can support each other in accelerating progress.

The following points are a selection of the various activities highlighting some key projects or discoveries:

General

- CSRD Compliance Governance structure set up to distribute responsibilities across DEIF.
- Engagement and competence development of Sustainability Ambassadors in our Subsidiaries.
- Sharing knowledge about our learnings and progress in various external webinars, visits and events as speakers.
- In January 2024, we were audited by Achilles regarding our ESG-performance as a requirement from one of our customers. The result was satisfactory, ranked as silver and a sustainability score of 58. Based on the feedback from the auditor, a corrective action was initiated to establish an external whistle-blower scheme.

Environment

- Initiating the first projects for decarbonisation in close cooperation with selected suppliers.
- We have successfully reduced the number of high-risk chemicals from 13 to 6. Currently, all these remaining high-risk chemicals are being investigated to find safer alternatives.
- The SBTi has approved DEIF's near-term and long-term science-based emissions reduction targets.

Social

- interviews conducted with all subsidiaries to get a first impression of how good we are doing in areas linked to minorities, equal rights etc.
- DEIF conducted two sets of culture labs in 2024: One on "Growth vs. fixed mindset", discussing how to challenge set-opinions and to be curious about the views of others; and one on "Courageous conversations", aiming at supporting a culture, where we dare to talk about difficult topics and collectively identify solutions as well as creating the basis for an environment characterized by psychological safety.
- Discovery that human rights due diligence processes need to be established or strengthened both upstream, downstream, and inside DEIF.
- Well-being programme developed with focus on a stress-management guide and other tools to ensure continuous well-being of everybody employed at DEIF. We will need to follow up to ensure that awareness is spread throughout the company on a regular basis.
- Signing of the diversity pledge by Danish Industry.

Governance

- Expansion of the whistle-blower system to allow availability for grievance mechanisms from third parties and not just internal stakeholders.
- Implementation of a DEIF information security policy.

Next steps for 2025

2025 will focus on several elements:

- Continued ESG competence development and additional focus on areas like R&D and sales.
- Continuing compliance preparation for CSRD, despite the Omnibus proposal. This includes the identification of strategically important topics within the frame of CSRD.
- Creation of a long-term decarbonisation plan based on the high-level plan made in 2023, detailing the efforts needed to meet the SBTi targets.
- Focus on Human Rights Due Diligence. While we have a Code of Conduct for suppliers as well as a guide for internal use, we want to establish a solid due diligence process across the value chain, including customers. This also includes a refresher course on anti-corruption for all employees.
- As part of the social ambition, work on programmes like life-embracing employment will be commenced. We also want to stablish targets for minorities, since we did not manage to do so in 2024. We also want to identify how to enable and encourage volunteering activities for employees.
- Entering a consortium facilitated by Danish Technological Institute with the purpose to drive circular economy within PCBs through different initiatives with various actors in the value-chain.
- Continue the investigation for establishing a wind turbine on our site in Skive.
- Project with Joanneum Research Institute in Graz, AT to identify if the retrofitting wind turbines with increased AEP can be quantified in CO_2e savings for the customer.
- Dissemination of a Sustainability Communication Playbook to avoid greenwashing.

Prizes and awards

In 2024, DEIF won or was nominated for several Danish and international awards and prizes. Among others:

- The Danish Industrial Robot Associations (DIRA) Automation Award 2024. DEIF was among the three finalists, nominated for the automation of the new factory.
- Special Innovation Award, Carinthia Austria, for solutions that increase efficiency and prolong the lifecycle of wind turbines.
- Technology Innovation Award 2024 from the Danish Data Center for the new DEIF controller iE 250.
- For the second year in a row, DEIF received the CSR People Label, recognising our activities within social responsibility in the Skive region.
- An ESG Transparency Award for achieving the "Excellence Class" rating from EUPD Research.

ESG Governance

The governance structure of our sustainability work can be described as a dual operating model, which allows a high level of involvement across the organisation and a dynamic idea generation process. The line organisation is responsible for the implementation and reporting on ESG topics, whereas the network organisation involves employees in the sustainability work on a project basis, organized in different communities and project groups.

The governance structure is implemented step-by-step, evolving organically as more and more functional areas work with ESG considerations.

Board of Directors: has the overall responsibility for the sustainability work. The Board has set up a dedicated Sustainability Committee that provides guidance and inspiration for the sustainability work and receives updates on the important projects to facilitate sustainability decisions on the Board.

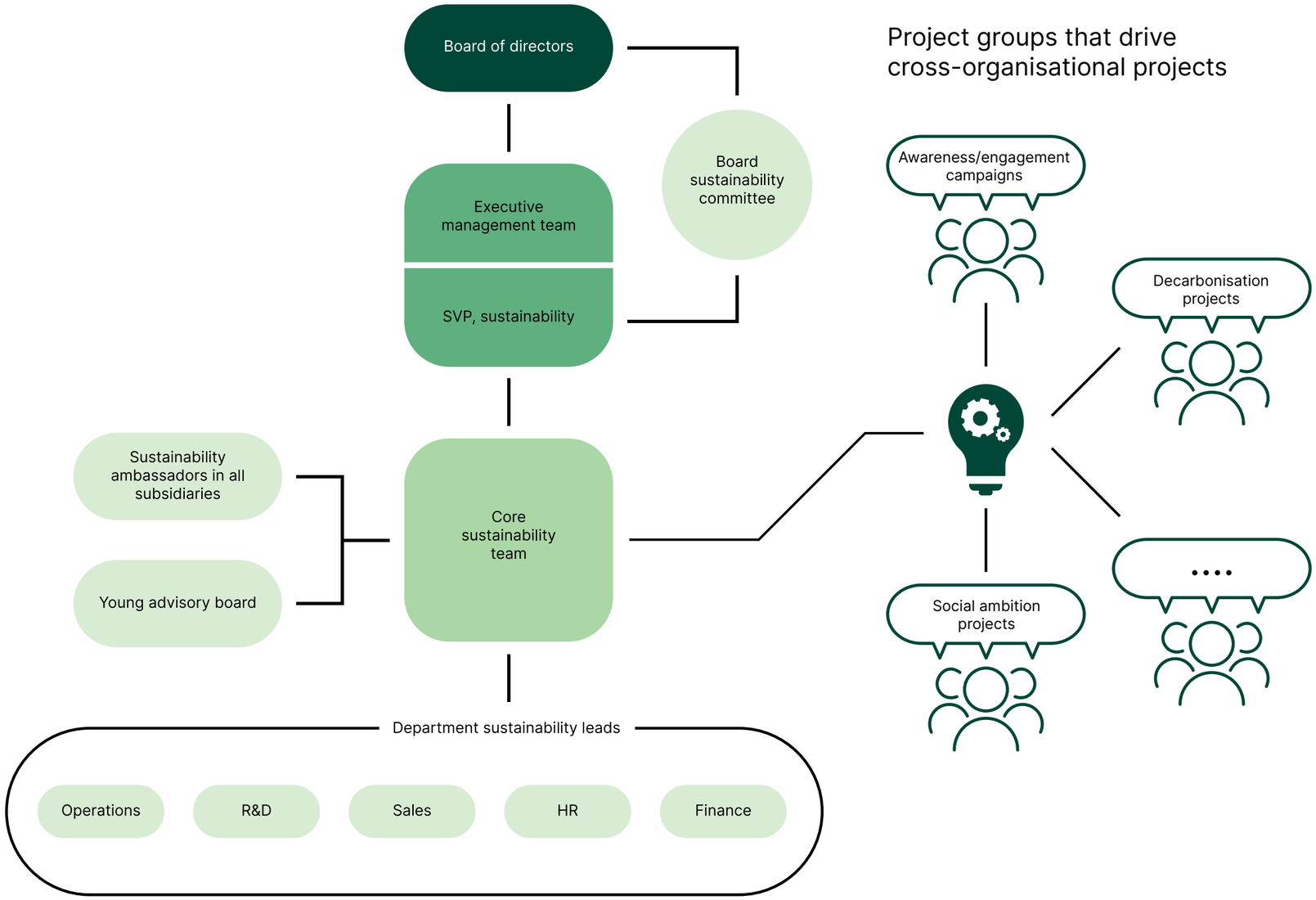
Executive management: is accountable for sustainability, providing strategic guidance, approving targets, policies and major activities.

Core sustainability team: prepares the overall sustainability roadmap, leads the community-based network and ties together all sustainability activities. The team is also overall responsible for cross-functional ESG related projects, such as CSRD compliance and decarbonisation efforts. The team meets once a month with the CEO to discuss progress, results and new projects.

Corporate functions: prepare and implement action plans and provide input to reporting system. Furthermore, they take part in a variety of different project groups to ensure ownership in the line organisation.

Sustainability ambassadors in subsidiaries: ensure local engagement and mutual inspiration. The network also plays a role in gathering cases from activities around the world related to sustainability.

Community-based network of project groups: drive sustainability-related projects. In 2024, project groups worked on a new well-being programme for employees and set targets for minorities. It is expected that these groups will only exist for the duration of the specific projects. After that, they will be dissolved as the results are embedded into the line organisation.



Involving the global organisation in the sustainability work

Ambition
DEIF wants to strengthen the involvement of the global organisation in the sustainability work.

In order to strengthen the involvement, we created a network of sustainability ambassadors, one from each subsidiary, 12 in total. The ambassadors are regularly involved in different sustainability tasks and liaison between headquarter initiatives and activities in subsidiaries.

We also conducted interviews with all subsidiaries to understand and evaluate their sustainability efforts and guide them better in the future. The interviews also provided a better understanding of potential gaps in relation to DEIF policies and/or guidelines.

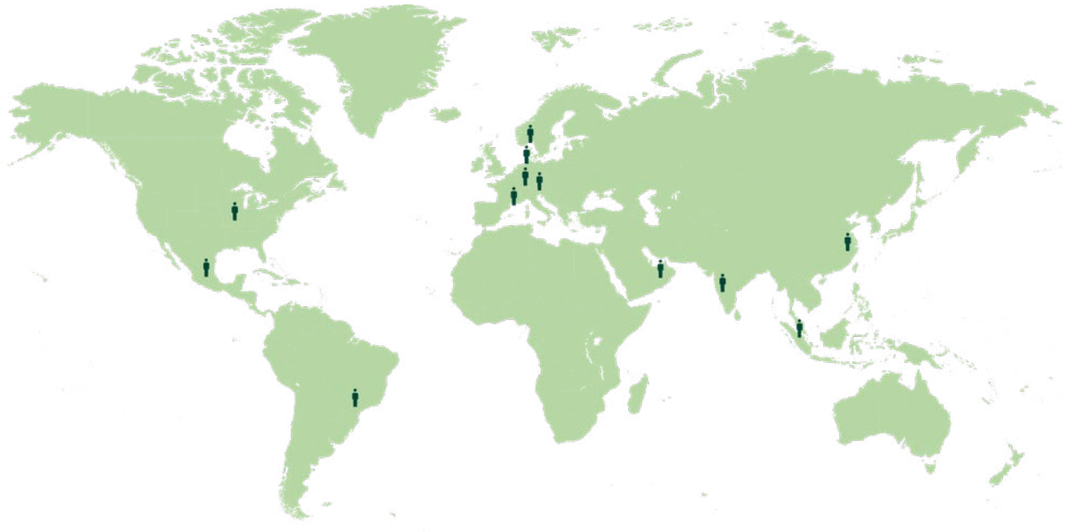
Actions, results and next steps
In 2024, the sustainability ambassador network held two meetings. One meeting focused on a climate deep dive to increase knowledge about climate change, political agreements and new regulations, as well as challenges, which hinder action, such as lobbyism or climate change denial. The deep dive also explored the emissions of DEIF to create an understanding of sources and potential mitigation. The second meeting was a follow-up to the climate deep dive, focusing on DEIF's updated GHG inventory and also looking into the Social Ambition of the company. An important part of every meeting was to share knowledge for mutual reflection and inspiration.

In 2025, three meetings are planned for knowledge sharing and discussion of critical topics related to DEIF's business. The sustainability ambassadors will also be involved in cross-organisational projects within climate and social activities.

While the establishment of the sustainability ambassador network had heightened the cross-border collaboration and knowledge sharing, the DMA highlighted that further efforts are needed to spread the understanding of different environmental and social topics also outside of the ambassador network.

One of the short term initiatives resulting from the DMA was therefore to ensure that the DEIF subsidiaries were brought to a minimum level corresponding to our values and people focus, e.g. on employment practices such as maternity leave.

Worldwide network of sustainability ambassadors



"It makes a lot of sense to me to work with sustainability. In our team in Mexico, most of us have kids or kids on the way, and we want to create the best possible future for them. In the network, we get inspired by the things going on in other countries and how we can help each other make a difference."

Carlos Galindo, Sales & Development Executive, DEIF Mexico

Carlos Galindo works in sales in Mexico and is also the subsidiary's sustainability ambassador.

Elfy Zhou is marketing and quality manager in DEIF China. She is also the sustainability ambassador of the company.

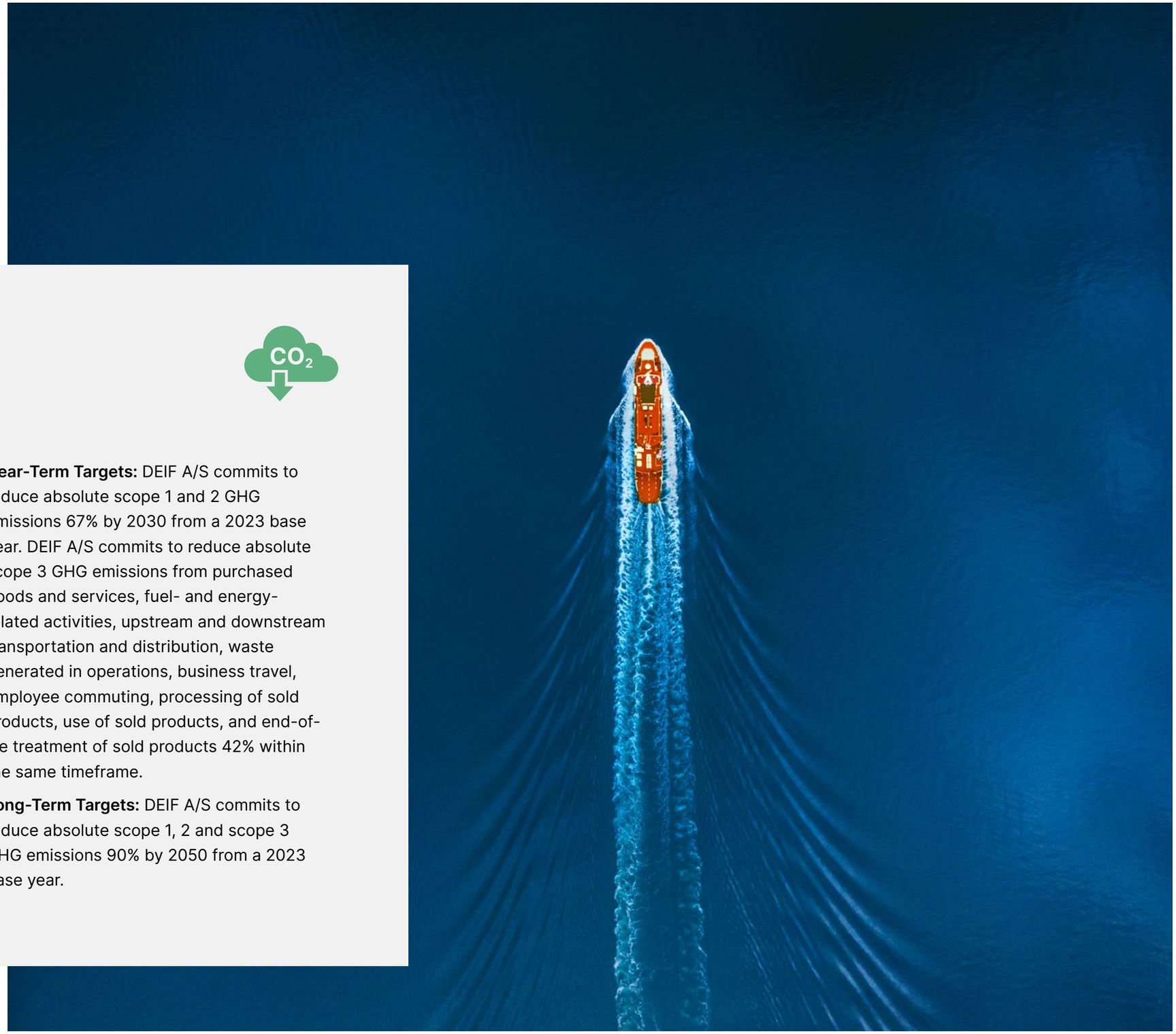
"I am proud to be the sustainability ambassador in China, linking our initiatives to what's going on elsewhere in DEIF. The interest in sustainable solutions is growing in China and DEIF's commitment to this agenda resounds in the market. For instance, we deliver an increasing number of products into solutions with renewable energy sources in China and in other countries in the East-Asia region and across the world."

Elfy Zhou, Marketing & Quality Department Manager, DEIF China

ENVIRONMENT

At DEIF, we are committed to protecting the local as well as the global environment and to reducing energy consumption, resource consumption and the GHG emissions of our global activities. DEIF has approved near and long-term science-based emissions reduction targets with the SBTi.

DEIF in Skive, where all production takes place, applies ISO 50001 for energy management and ISO 14001 for environmental management.



Climate ambitions

Ambitions aligned with the Paris Agreement (1.5°C)
In 2024, we have aligned our climate ambitions with the Paris agreement to keep the average global temperature changes at 1.5°C. In late 2024, the targets were approved by SBTi to ensure independent validation of the targets and streamline the methodology of calculating the GHG inventories.

DEIF has approved near- and long-term science-based emissions reduction targets with the SBTi.

Overall Net-Zero Target: DEIF A/S commits to reach net-zero greenhouse gas emissions across the value chain by 2050.

Near-Term Targets: DEIF A/S commits to reduce absolute scope 1 and 2 GHG emissions 67% by 2030 from a 2023 base year. DEIF A/S commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel- and energy-related activities, upstream and downstream transportation and distribution, waste generated in operations, business travel, employee commuting, processing of sold products, use of sold products, and end-of-life treatment of sold products 42% within the same timeframe.

Long-Term Targets: DEIF A/S commits to reduce absolute scope 1, 2 and scope 3 GHG emissions 90% by 2050 from a 2023 base year.

Scope 1-3 results and activities

GHG Inventory 2024: Highlights

2024 saw various developments in DEIF's GHG inventory. Emissions were reduced overall, the share of different categories in total emissions changed slightly in comparison to 2023 (the changes in share relates primarily to Purchased Goods & Services and Use of Sold Products), and data precision was improved.

DEIF experienced a reduction of Scope 1&2 GHG emissions by 20% and a reduction of total GHG emissions for its Scope 1-3 emissions of 6.5% compared to 2023, resulting in a total amount of 41,093 tCO_2e in 2024. DEIF is very content, that decarbonisation efforts in Scope 1&2 have had the intended effect and reduced GHG emissions for both scopes. The emission reductions in Scope 1 - 3 can be attributed to two categories, namely:

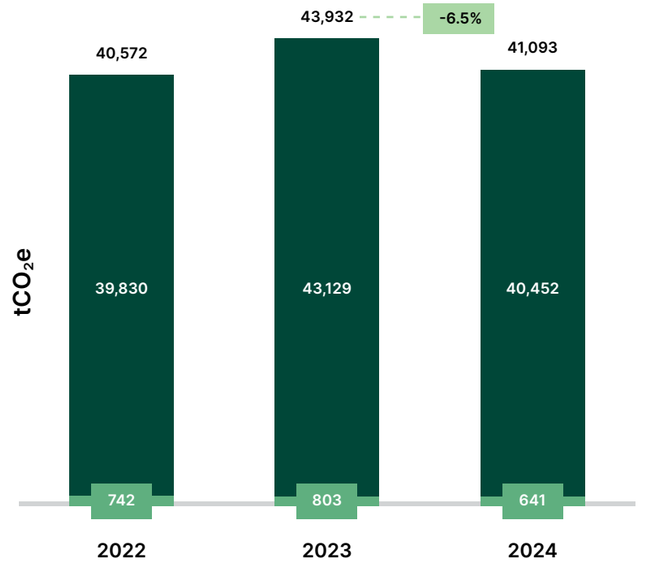
- The reduction in Scope 1 & 2 was due to the phase-out of gas as a source of heating at the HQ in Skive. In addition, the installation of solar panels in Skive and to a lesser extent, electrification of the fleet of company cars also contributed.
- The reduction of the purchased goods and services category due to the use of stock built in 2022-23, which resulted in a decrease in the need to buy materials and components.

While emissions in the Capital goods category also decreased in 2024, this category is excluded from DEIF's Science Based Targets. This exclusion is due to exceptional emissions of 2,540 tCO_2e in our 2023 baseline year associated with the construction of DEIF's new factory, thus the observed reduction does not represent our decarbonisation efforts.

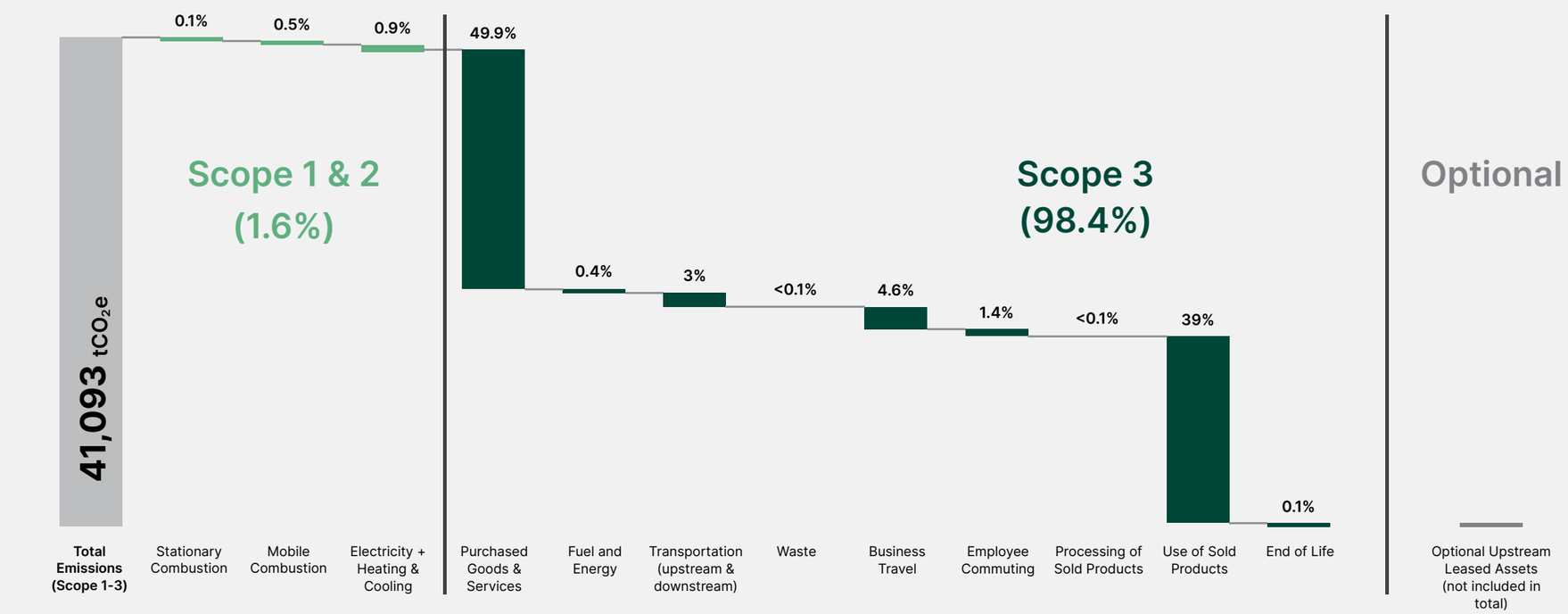
The category of Use of Sold Products saw an increase due to an improvement of data quality as well as granularity.

DEIF has also decided to report on optional emissions stemming from the life cycle emissions of DEIFs leased company cars (Upstream Leased Assets). As these emissions are optional they are reported separately and do not count towards DEIF's total emissions.

Global GHG emissions development (Scope 1-3; 2022-2024), excluding Capital Goods



GHG emission breakdown per category – 2024 results



In 2024, there was a change in the contribution of the individual GHG categories towards DEIF's total GHG emissions, compared to 2023. This is due to an increase in data precision for Use of sold products, which increased the calculated emissions for this category, and the removal of the category Capital Goods.

Despite these changes, Purchased Goods and Services and Use of Sold Products remain the largest contributors to DEIF's global GHG. emissions.

Emission reductions in Global Scope 1&2
Scope 1 & 2 decreased by 20% from a 2023 baseline. These decreases are attributed to the following activities:

- The phase out of gas-powered heating at DEIF's HQ in Denmark in favor of a heat pump.
- The installation of solar panels with the capacity of 750 kW.
- The switch to electric vehicles in DEIF's fleet across the world.

Scope 1&2 at HQ in Denmark decreased by 34%. The category of Stationary Combustion in Scope 1 alone saw a 70% decrease, yet when looking at both Scope 1 and 2 together there was a shift in burden, as the heating and cooling at HQ is now provided by a heat pump, requiring more electricity.

Additional energy demanding processes were introduced in the new factory such as a nitrogen compressor. Objectives are to identify if electricity can be saved by altering how much/ long these processes run.

Despite the shift in burden from Scope 1 to Scope 2, the reductions in Scope 1 surpassed the increase in Scope 2.

Solar panels were connected towards mid-2024 and have produced 306,500 kWh of electricity of which DEIF was able to utilise 51% directly. The other half was exported to the grid. In line with the GHG protocol, DEIF's exported electricity is not accounted for in the GHG inventory.

Minor changes for most of Scope 3
Most Scope 3 emissions categories have modest changes compared to 2023. Overall, without use phase emissions, Scope 3 has dropped primarily driven by a decrease in Purchased Goods and Services.

The purchase of materials and components for production saw a decrease of 3,600 tCO_2e due to stockpiling of materials in 2023. In 2024, DEIF purchased approximately 70,000 kg less material than in 2023, as stock was reduced, and already existing components and materials were used directly in production. As DEIF has grown its turnover and expects to do so in the future, this decrease in emissions does not reflect the turnover development. Consequently, the category of Purchased Goods and Services will increase in line with turnover growth, once stock has fallen to more representative levels, unless the category is decarbonised.

In 2024, DEIF devised a more granular approach to calculating lifetime energy usage for its products. This enabled us to automatise the data collection for the category of Use of Sold Products, while providing product type specific data.

This change in methodology resulted in a calculated increase in emissions for 2024. Emissions were updated retrospectively for 2022 and 2023

The category of Use of Sold Products is calculated by multiplying lifetime power consumption with GHG intensity of energy consumed, derived from the different power sources.

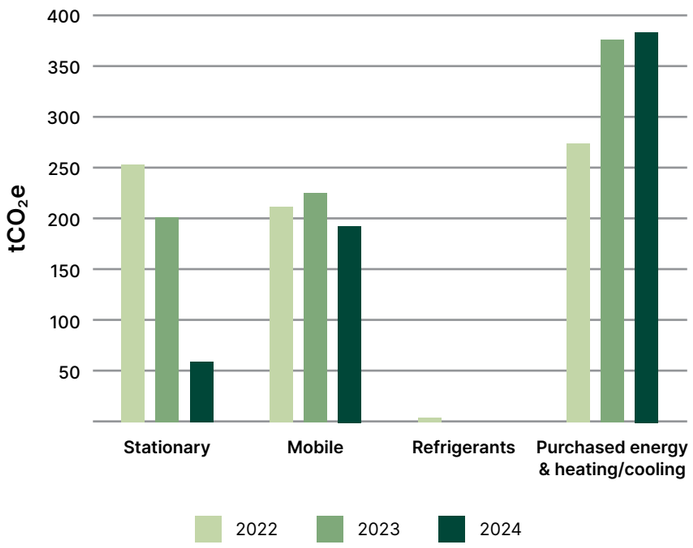
With the methodology changes having addressed inaccuracies in the first part of the calculation, DEIF is planning on investigating if and how the second part of the calculation can be improved. The use of DEIF's products, the time in operation, power sources, as well as configuration of the products are almost entirely unknown to DEIF. This makes it extremely difficult to assess the actual GHG emissions for this category. Until a better methodology is found, DEIF is using the GHG intensity of the grid of the respective country, where the customers are located.

Supplier-specific data focus for key categories in Purchased Goods and Services
For Scope 3, DEIF currently relies on a mix of activity-based data and spend-based data with generic emission factors. Yet, especially for Purchased Goods and Services, DEIF has identified key inventory categories, where we will try to obtain supplier-specific data. This is especially important to detect and benefit from any GHG emission reductions materialising in DEIF's value chain.

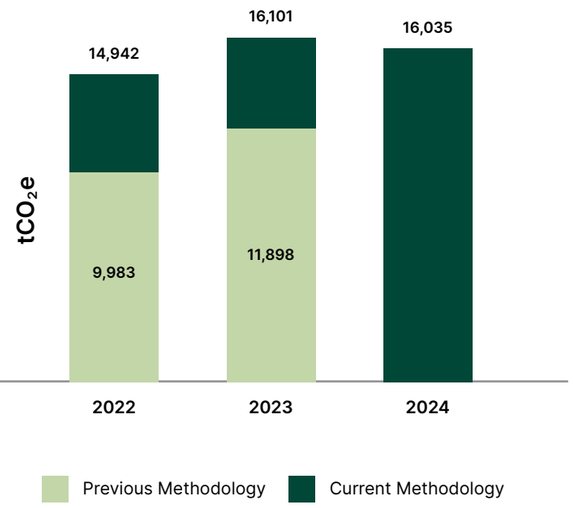
Anticipated effects of decarbonisation projects on the 2025 GHG inventory.
The planned switch to sub-suppliers with a higher share of renewable electricity is expected to reflect positively on the GHG inventory in 2025. We will likely be able to move approximately 75% of PCB production to sub-suppliers with a higher share of renewable electricity than current sub-suppliers.

This switch is addressing the issue of approximately half of the GHG emissions of PCBs stemming from the electricity used.

Global Scope 1 & 2 emissions (2022-2024)



GHG Emission changes due to methodology changes for Use of Sold Products (2022-2024)



Decarbonisation initiatives in 2024

Based on the findings from the 2023 GHG inventory and the Life Cycle Assessment (LCA) of one of our key products, we formulated five decarbonisation initiatives in 2024. Decentralised ownership of the various decarbonisation initiatives has been a key factor, and the projects are therefore driven by the respective departments.

Reducing GHG emissions of Printed Circuit Boards
We carried out a screening of different suppliers of PCBs. The screening resulted in a partnership with NCAB Group, a global PCB supplier. The partnership aims to identify levers to decarbonise PCB production. Together with NCAB, we have so far identified PCB producers, which are located in areas of China with a higher share of renewable energy. Part of the work for 2025 will be to estimate the anticipated effect.

Identification of emissions reduction possibilities
The second project is the identification of GHG emissions reduction possibilities for the component categories: Semiconductors and Integrated Circuits. While initial conversations with one large Semiconductor/ IC manufacturer were held, the overall project will first commence in 2025.

OEM products
The third initiative is a deepened understanding of the OEM products, which DEIF buys to be integrated into DEIF products. The project will be initiated in 2025.

Business travel
A fourth initiative focusses on reducing GHG emissions of business travel. We have updated our travel policy with two guiding principles. First, for all trips within a 5-hour driving distance, transportation should be by train, bus, or car. Second, overseas air travel should have a minimum duration of six days to maximise the journey's effectiveness with the potential added effect of reducing the need for multiple trips. These measures prioritise lower-emission travel options while ensuring that necessary international trips provide most value.

On-site renewable energy generation
Beyond reducing emissions in our supply chain and operations, we are also focusing on on-site renewable energy generation. To support this, we wish to install a retrofitted wind turbine (Vestas V47, 660 kW) at our site in Skive. The wind turbine will be upgraded with our own control system, extending its lifespan and keeping valuable materials in circulation. The main purpose of this initiative is to serve as a showcase for our products and how DEIF's technology can support the energy transition. Yet, it also provides the ability to test current and future products and connected systems on site. As an added benefit, it allows DEIF to supplement the renewable energy from our solar panels with wind energy.

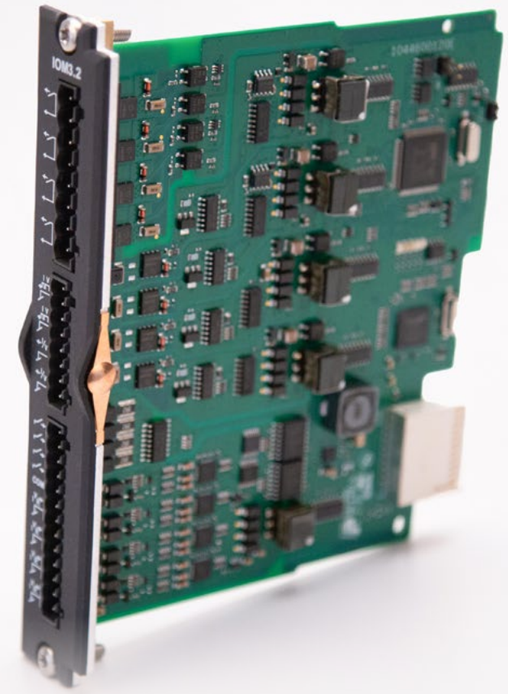
Together, these five initiatives constitute a first coordinated effort to reduce GHG emissions in one of the categories, where DEIF has the largest share of emissions, namely Purchased Goods and Services.

Creating a more holistic view
Various activities go across topics and departments to capture a more holistic view of environmental impact and to understand the cross-functional role to reduce these impacts.

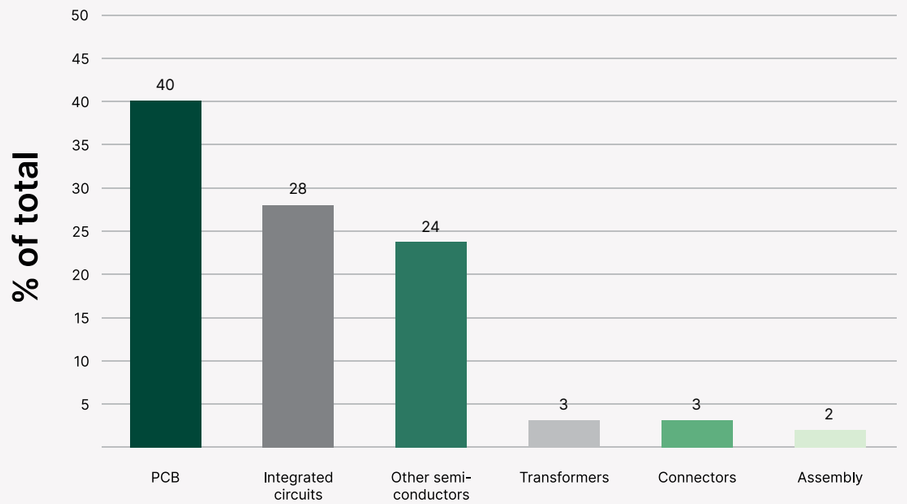
One of these initiatives was the development of an internal scorecard to assess the environmental performance of suppliers. The scorecard evaluates key environmental criteria such as the presence of ISO 14001 certification, ESG policies, GHG emission reduction initiatives, SBTi commitments or approved targets, or the percentage of renewable electricity used, amongst other topics. This assessment serves as an enabler for closer collaboration with suppliers, helping to drive overall decarbonisation efforts as well as lowering other key environmental impacts.

In 2023, Fraunhofer IZM conducted a cradle-to-gate Life Cycle Assessment of the DEIF ML300 controller. The LCA revealed that by far the greatest carbon footprint resulted from the PCBs, the semiconductors and integrated circuits.

We used the findings to launch initiatives with suppliers and strategic partners to try to reduce upstream Scope 3 GHG emissions.



Share of CO_2e emissions



Decarbonising with our customers

Ambitions

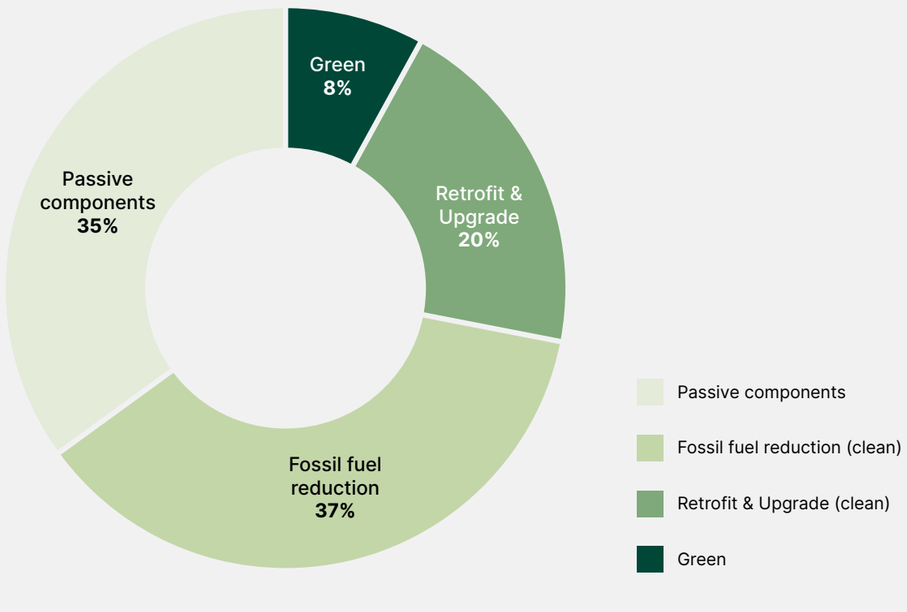
For decades, DEIF has been a leading supplier of control solutions that can increase energy efficiency, reduce fuel emissions and enable electrification and the uptake of renewable energy sources. Hence, we can help our customers decarbonise by supplying solutions and application expertise that support the green energy transition.

We expect to increase our share of turnover related to applications with renewable energy sources. The increase is driven by new regulation that directs investments towards low-carbon solutions and changes the competitive landscape, hence favouring DEIF as a leading provider of energy management solutions. Our goal is to become market leader in our industry, providing customers with the best and most energy efficient control solutions.

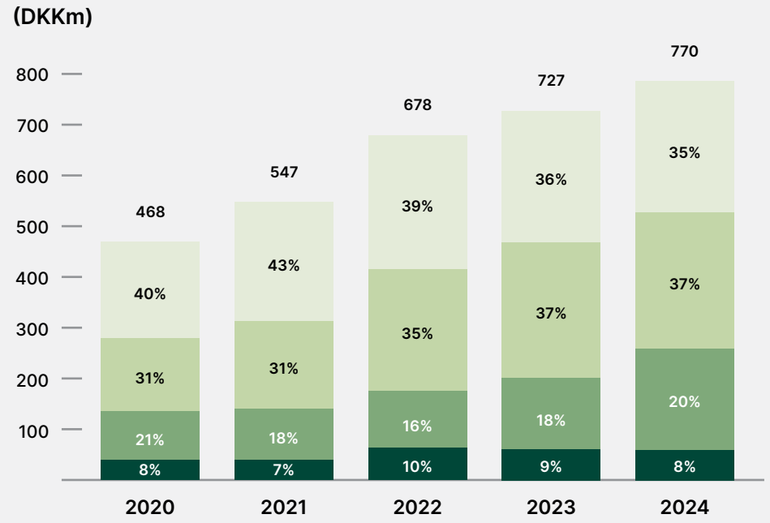
Actions, results and next steps

- In the energy transition towards low GHG-emission energy production, power converters play an essential role, and they are a natural extension of DEIF's product portfolio. In 2024, the established partnership with AVL, SAL and Wolfspeed produced the first prototypes of the new DEIF iE Convert, the world's most compact and efficient power converter.
- In 2024, the demand for battery solutions significantly surged. We delivered an increasing number of battery storage controllers used in hybrid applications, combining diesel engines with renewables and/or battery storage. The hybrid solutions reduce the running hours of the diesel engines and optimize the fuel consumption during diesel operation.
- Diesel gen-sets continue to play an important part in critical and decentral power production on land and at sea. In 2024, energy management systems that can reduce the consumption of fossil fuels accounted for 37% of DEIF's turnover (2023: 37%). The controllers can – if used correctly by the customers – cut fuel consumption significantly and hence, reduce GHG emissions.
- By upgrading the control system of wind turbines, DEIF can help asset owners increase the AEP by approx. 2%, thereby increasing the efficiency and prolonging the lifetime of the turbines. In 2024, we supplied solutions for 144 turbines of which 69 were installed by the end of 2024. Further, our wind retrofit solution was certified by DNV.

In 2025, we will expand our portfolio of solutions that supports the green energy transition. Most important is the introduction of the new DEIF power converter that sets new standards in efficiency and resource conservation.



Growing the share of turnover on products and services that support the transition of the energy sector.



Decarbonising around the world

Reliance Spinning Mills in Nepal

Reliance Spinning Mills Ltd. operates the largest spinning mill in Nepal. In 2024, the spinning mill added 7.5 MW solar panels to the existing diesel generators. DEIF supplied the control system that enabled the seamless integration of the PV plant into daily operation. The spinning mill estimates that it will save 75% of the diesel consumption with the hybrid solution.

Far East Knitting & Dyeing in Bangladesh

In 2024, the Far East Knitting & Dyeing plant in Bangladesh supplemented the existing diesel generators with 700 kW solar power. The hybrid power solution is controlled by DEIF controllers. The plant expects to save 25% on previous diesel consumption.

Erbersdobler Ziegel Vertriebs GmbH & Co. KG in Germany

The Erbersdobler brick factory wanted to secure power supplies and invested in a hybrid system consisting of four diesel generators, one gas generator, two PV systems and two grid feeds. The PV system has the capacity of covering 500 MWh out of the needed 4.1 GWh with the system designed for a possible expansion with further PVs. DEIF supplied the control solution for the hybrid system.

Balline-Garnet mine in Australia

Balline-Garnet is an off-grid mining site in Australia. In 2024, the mine reduced the number of gen-sets from three to two by refining the control system. The next step is to take out yet another diesel gen-set by integrating a battery system.

Far East Knitting and Dyeing in Bangladesh

Biodiversity and ecosystems

Ambitions

Biodiversity has been identified as a material topic with potential impacts in both the value chain and on DEIF premises. The impact for the value chain – upstream specifically – is identified as potentially large due to activities such as mining of metals and minerals as well as the processing of these materials.

The impact on biodiversity for DEIF's own operations has been deemed to be potentially small scale, as DEIF only owns 3.8 hectares of land at its premises in Skive. All other locations are rented offices.

Activities, results and next steps

During the renovation of an existing building in 2023, now housing DEIF's new electronics factory, the outdoor areas were re-designed and re-planted to create habitat for a variety of different insects and other animal species. Existing plants such as oak trees have been preserved during the landscaping work.

Given the limited size of the area re-designed, the effect for biodiversity is limited. Rather it is a showcase for employees and other companies to also convert lawns to habitats for a variety of animal and plant species.

DEIF also supported the Danish Nature Foundation with smaller donations on various occasions, e.g. Christmas gifts for employees, as acknowledgements for student projects and gifts for special occasions.

Considering the limited effect of the onsite biodiversity project, DEIF is aware that a more wide-ranging assessment of possible levers is needed. This assessment shall look at levers for the preservation of biodiversity-rich areas and the expansion of areas to allow for fauna and flora to spread.

The outdoor areas at the DEIF headquarters have been redesigned to create habitat for a variety of different insects and other animal species.

Resource use and circularity

Ambitions
Addressing circularity has become increasingly important. The extraction and processing of raw materials deplete natural resources and come with a significant climate impact. Therefore, DEIF is committed to increasing resource efficiency and promoting circular thinking from design of products, through production to end-of-life and recycling. Our main focus comprises the following areas:

- **Improving process efficiency and minimising waste.** DEIF's automated electronics factory is designed for high resource efficiency, and waste minimization in for instance packaging is ongoing.
- **Ensuring long life span of products.** DEIF's products have a lifespan of at least 10-15 years depending on the environmental conditions at the place of installation. The products can be serviced and repaired to extend the life span even more.
- **Reusing and recycling.** DEIF is looking into partnerships and possibilities to increase reuse and recycling of components and recycling of our products.
- **Safe chemical management.** DEIF operates a chemical management system and continuously work to reduce the chemical risk level of the substances used and focus on safe handling of the chemicals.

Actions, results and next steps
Several projects across the global DEIF organisation contributed to waste minimization and recycling of resources. For example:

Recycling of electronics: In Denmark, we entered into a new agreement with an electronics recycling company to ensure that all electronic waste is recycled in the best possible way. The company also works to create job opportunities for marginalised groups as part of their mission.

Several of DEIF's subsidiaries have contracts in place for recycling of electronics. For instance, in Brazil, where cooperation with recycling specialist Re-Teck ensures safe and efficient recycling of electronics waste.

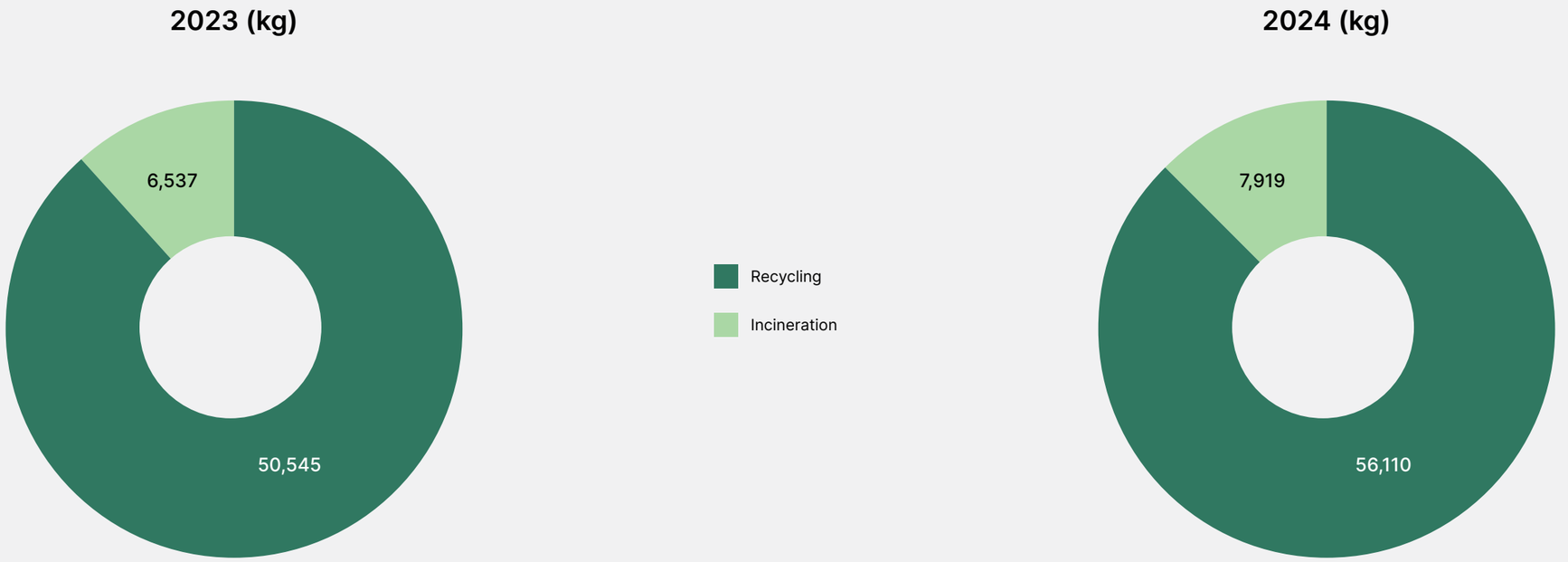
Repair extends the lifetime of controllers
In 2024, we received 2,374 controllers for service and repair (2023: 2,472). After repair, the devices were returned to the customers for continued use.

Recycling of cardboard: Cardboard accounts for about 45% of the waste at DEIF's factory. A pilot project investigates how the cardboard can be shredded and used for cushioning, replacing traditional plastic air pads. The goal is to reuse close to 100% of the cardboard internally. At the same time, plastic-based tape has been replaced by paper-based tape for packaging.

Capacity building to work on circular product offerings.
DEIF's products are designed for a long lifetime, considering the environmental conditions at the place of installation, and repairability. There are various other circular design strategies, which have not yet been systematically assessed, and eco-design has only been partially considered in the product design phase. R&D has used 2024 to start building capacity and understanding of the topic, and 2025 started with the establishment of a new department, which will focus on integration of sustainability considerations into product development to create circularity-focused product strategies in the future.

The total amount of waste in 2024 was 64,099 kg, a 12.1% increase compared to 2023 (57,204 kg). This was also expected due to a higher operational activity.

In 2024, the level of recycling reached 87.5% (2023: 88.4%), slightly below our target of a recycling rate of at least 88%. The decrease compared to last year was primarily due to the insourcing of the production of PCBAs. This insourcing also resulted in a new waste fraction, solder waste and wastewater from the soldering process, which amounted to approx. 15 litres.



Note: The figure does not include landfill data. The landfill amounts are 70 kg for 2024 and 120 kg for 2023

SOCIAL

DEIF wants to be a motivating and inclusive place to work. We support and respect the protection of internationally proclaimed human rights and make sure that we do not in any way contribute to the violation of these rights.

We want to offer a safe and inspiring work environment with opportunities for personal and professional development.

We strive to secure equal rights and commit to group-wide targets to increase diversity at all management levels and to provide job opportunities for marginalised groups and people with reduced ability to work.

People demographics

Male / Female managers
77% / 23%

Average seniority
9 years

Male / Female employees
72% / 28%

Average age
44 years

Total number of managers
73

Global cultural transformation

Ambitions
Realising the ambitious growth strategy of DEIF requires a cultural transformation, making the organisation more agile, faster and smarter.

We call it 'Winning Together', a culture of involvement and collaboration that will help us leverage the strategic ambitions and make us stand out from competitors.

We want to:

- Foster a culture of execution power, speed, and the ability to adapt to changing conditions and deliver tangible results continuously to succeed.
- Develop a culture characterised by courage, curiosity, empowerment and a 'we can do it' attitude.
- Develop leadership to make fast and committed decisions, empower people and teams, break down silos, and decrease control and 'fear of failure'.

Actions, results and next steps
During 2024, we carried out Culture Lab sessions for all leaders and employees across the global organisation. Each Culture Lab session had an average of 15 participants from different countries and functions, with most of the sessions being held online. Culture Lab 1 focused on creating an understanding of the potential of a 'growth mindset' to ensure DEIF's future success. Culture Lab 2 trained the ability to carry out 'courageous conversations' to explore new ideas and to handle conflicts.

We appointed 16 Cultural Ambassadors, representing subsidiaries and corporate functions. The Cultural Ambassadors received training in conducting Culture Labs together with top management and the two groups were paired to facilitate the culture labs for cross-functional teams. Moreover, the Ambassadors are responsible for keeping the new cultural concepts alive in the daily work.

92% of the employees participated in Culture Lab 1, while 71% of the employees took part in Culture Lab 2. Additionally, all leaders participated in a one-day training session, while new employees also received training. In total, training of leaders, employees and cultural ambassadors amounted to 3,390 hours in 2024.

In 2025, the training of new and current employees, who have not yet participated in Culture Lab 2, continues.

End of March 2025, we conducted an Employee Satisfaction Survey with a 94% response rate, which is very satisfactory. The overall engagement index is 77 out of 100, matching the Top in Class benchmark for companies with 300-2000 employees. The consolidated results will be available at the end of April 2025.

"I almost canceled my attendance at the Culture Lab Workshop because I felt overwhelmed with other tasks. Luckily, I decided to participate! It was really nice to meet other colleagues in a different setting and share thoughts and dilemmas in a confidential atmosphere. It was nice to feel that the management of DEIF takes care of the employees' well-being."

Per Svenning,
Strategic Senior Sales Manager

"I am happy I got a chance to reflect on DEIF's culture and the challenges we face. Mental safety and courageous conversations mean a lot to me, and I am delighted that these topics are now on the strategic agenda of DEIF. During the Culture Labs, we all had a chance to speak up without any negative feedback. I hope that all colleagues have had a chance to reflect more on this after the Labs and also discuss with colleagues and managers."

Rene Salkvist Nielsen,
Solution Engineer

Social ambition and focus areas

Ambition
In 2023, DEIF created a Social Ambition that governs how we ensure employee well-being, create local community impact and act as a responsible and inclusive workplace. The Social Ambition states how we strive for continuous improvement in everything we do and balance our efforts to fulfil the company's long-term goals with the well-being of our people. It also describes how we foster diversity and inclusion in all parts of the organisation and how we cultivate a working environment with top-class engagement, while protecting people from work-related stress. And finally, the Social Ambition also sets the bar for our interaction with local communities.

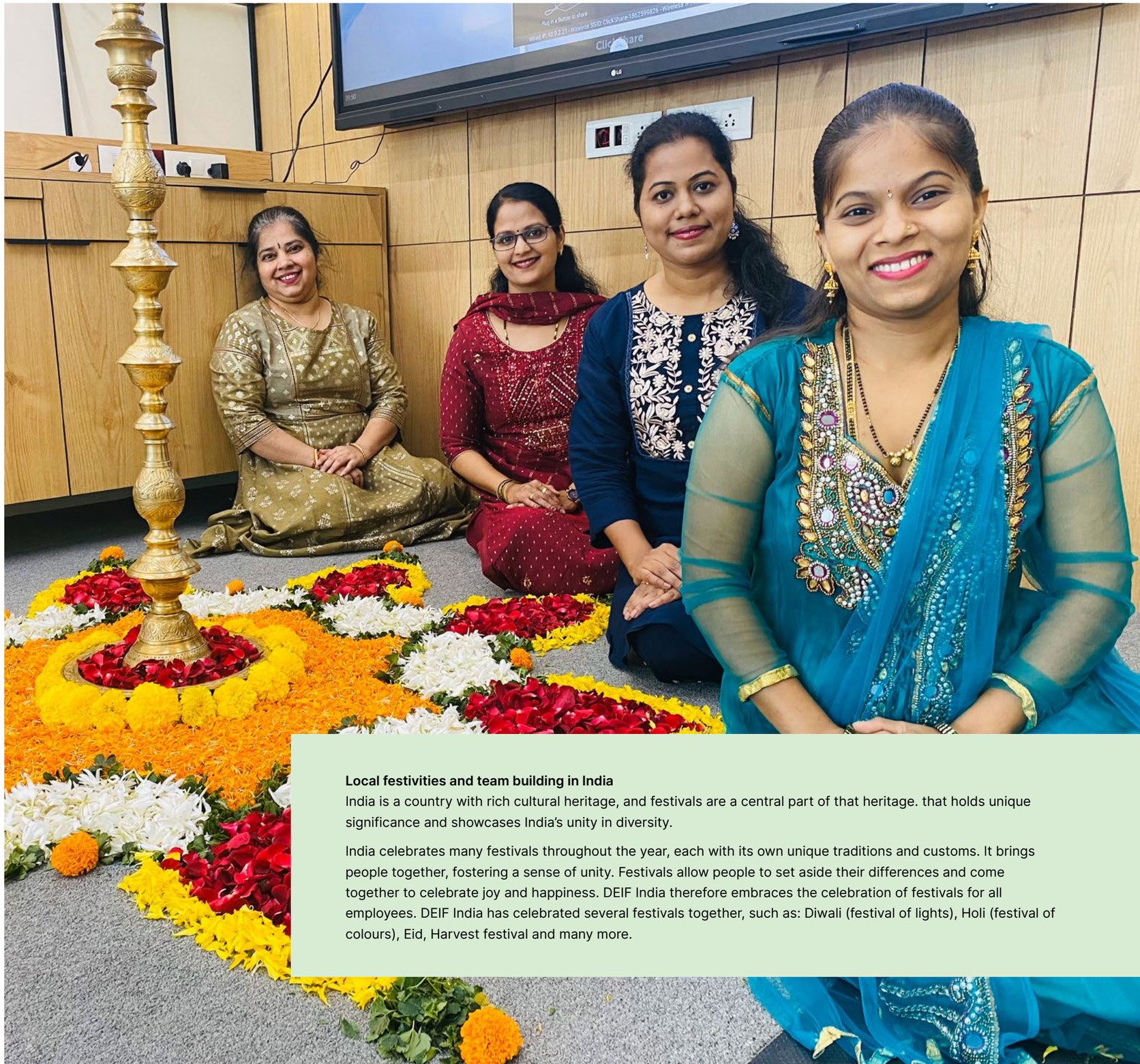
Actions, results and next steps
Under the umbrella of our Social Ambition, our employees are invited to participate in specific projects that create positive changes for the employees and for the local communities that DEIF is part of.

One of the projects in 2024 was the development of a new well-being programme. 12 employees from different functions and regions took part in the project, which aims to sustain and improve motivation, engagement and well-being throughout the organisation at all times.

The project resulted in:

- **Creation of an online site**, where all employees can access useful knowledge about the social ambition, initiatives and projects.
- **Creation of a Stress Management Guide**, providing employees and managers with practical tools and strategies to improve well-being, boost motivation, and address any negative stress in a timely manner
- **Physical exercise videos**, 12 videos that help employees stay fit at work and at home.
- **Access to an online well-being platform** provided by PFA, a Danish pension company that DEIF collaborates with. The platform contains tools for both leaders and employees.

The next Social Ambition initiatives are to set goals for diversity and inclusion, principles for volunteer time off and development of a policy for work during different life stages.



Local festivities and team building in India
India is a country with rich cultural heritage, and festivals are a central part of that heritage. that holds unique significance and showcases India's unity in diversity.

India celebrates many festivals throughout the year, each with its own unique traditions and customs. It brings people together, fostering a sense of unity. Festivals allow people to set aside their differences and come together to celebrate joy and happiness. DEIF India therefore embraces the celebration of festivals for all employees. DEIF India has celebrated several festivals together, such as: Diwali (festival of lights), Holi (festival of colours), Eid, Harvest festival and many more.

Diversity and inclusion

Ambition
We want to cultivate a culture of diversity and inclusion. We want everybody to be respected for who they are, and we value every individual's contribution to the whole. We want to offer equal opportunities to everyone, everywhere. We want each employee to feel valued and respected for who they are, as well as safe, free from harassment, victimisation and discrimination. We also believe that diversity accelerates innovation, enabling creative solutions.

Actions, results and next steps

Diversity pledge: In 2024, DEIF in Denmark signed the Diversity Pledge of the Danish Industry trade organisation. The pledge implies that companies have 40% women in top management positions by 2030. In 2024, two out of seven members of DEIF's Executive Management were women.

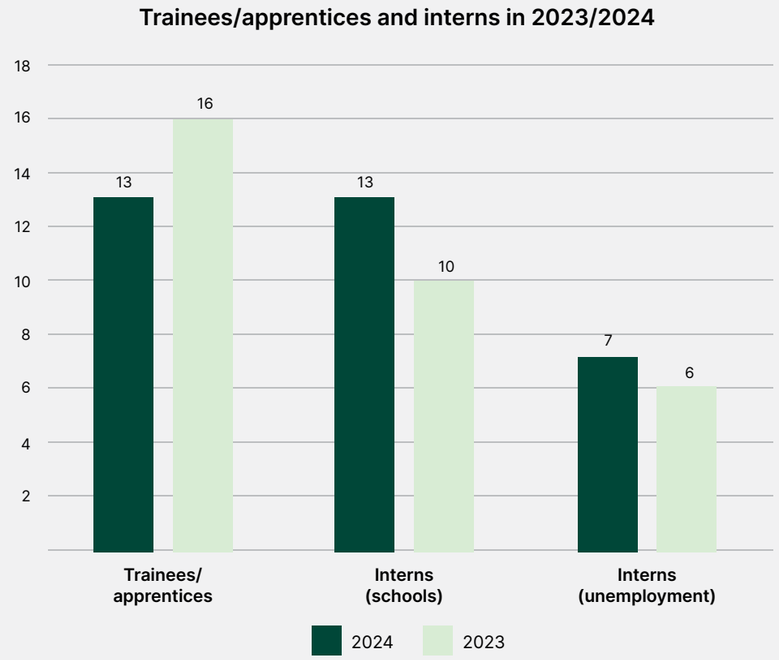
The Diversity Pledge offers tools to set up diversity targets and benchmarking opportunities with other companies not only for gender, but also for other diversity factors that DEIF will integrate in the diversity and inclusion efforts. In 2025, DEIF continues the work to be a workplace, where people with for instance AD(H)D (attention deficit (hyperactivity) disorder) will thrive and managers will be equipped with the necessary tools to support the increase of minorities in the teams.

Equal opportunities: DEIF joined the mentor programme 'Equal opportunities' in Denmark. Ten mentors from DEIF have joined the programme to assist foreigners in Denmark with their education and career goals. We also continued mentoring international students through a mentorship programme together with Aalborg University.

One of the important projects in 2025 is to set up targets for minorities. In this process, our subsidiaries are interviewed and involved in the definition of minority groups and target setting.

DEIF's business requires special technical and engineering skills, which have a relatively low share of women. In 2024, the share of women in DEIF was 28% (2023: 28%). The share of women in management was 23% (2023: 24%). Our goal is to have the same share of female managers as the share of female employees.

The total number of trainees/apprentices and interns corresponds to 5.6% of our workforce, exceeding our target of 4% of the total workforce. We continue to focus on offering job and training opportunities for the next generations.



Talent attraction and retention

Ambition
We want DEIF to be a workplace sought after by potential employees and cherished by current employees. Attracting talent at all levels is more important than ever, when DEIF has to fulfil the strategic growth ambitions. We therefore want the DEIF employer brand to be a strong and attractive workplace for the talents of today and tomorrow.

Actions, results and next steps

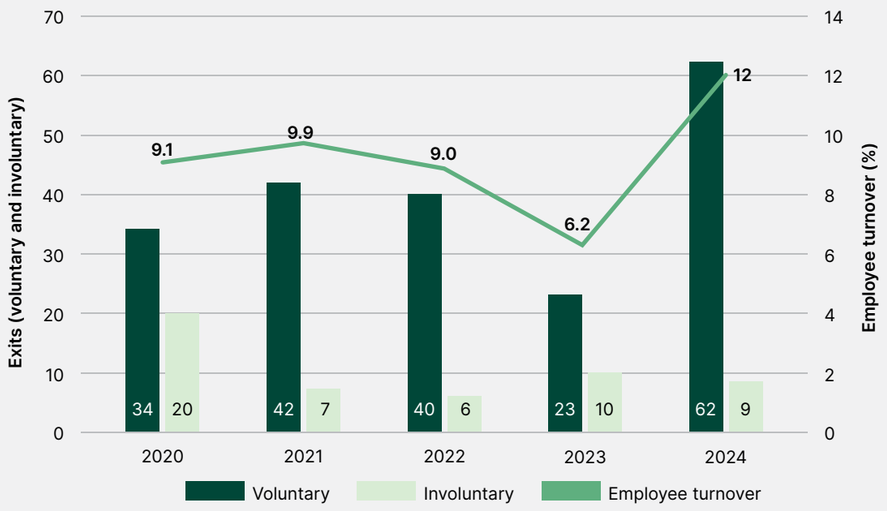
Employer branding: Since 2023, DEIF has had a strong focus on increasing the awareness of DEIF as an attractive place to work. In 2024, we participated in 10 career events across Denmark targeted STEM students (Science, Technology, Engineering and Mathematics). The strategy of improved brand visibility paid off, as DEIF advanced 22 places in the 2024 ranking of engineering workplaces carried out by Denmark's leading technology magazine, Ingeniøren.

Recruitment in Denmark: The job market in Denmark in 2024 was characterised by record-high employment rates. At DEIF, we have seen an increased interest in our company and open positions, as confirmed by the activity on the job portal Jobindex. We saw an increase in average views on our adverts of 44% compared to 2022 and an increase in click rates of 57% in the same period, which is significantly higher than the average click rate in the electronics industry.

Blind recruitment: We continued the strategy of blind recruitment to avoid bias in the recruitment process. In 2024, we used blind recruitment for four positions and our goal is to increase the number in 2025. The candidates express positive feedback to the process, which also brands DEIF as a company with focus on diversity and inclusion.

Spot on Skive: DEIF is an active partner in the Spot on Skive initiative, aiming to attract and develop local talents. A dialogue meeting in 2024 resulted in a camp for more than 200 students, who worked on specific challenges posed by local companies. DEIF received interesting ideas on waste management and reuse of existing waste streams.

In 2025, employer branding and promoting interest in STEM continue to be top priorities for DEIF.



The employee turnover in 2024 was 12% (2023: 6%). Especially the number of voluntary exits was higher, but still lower than the average exit rates in similar companies (Employee turnover within "Machine and electronics manufacturing companies" in Danish Industry equals 17% in 2023 and the same level is expected in 2024). The general trend in the job market shows that it is increasingly difficult to attract and retain talented people and the task of recruiting, onboarding and retaining people at DEIF remains a key target.

To raise the interest in STEM, DEIF participated in the Danish Science Day.

Talent engagement and development

Ambitions
At DEIF, we are committed to developing the company and to helping each other perform at our best. We learn and grow together, while respecting individual needs to create a healthy work-life balance. We care for each other, respect our differences, and strive to make room for everyone. We take responsibility for our actions, for people, and for our impact on the environment and the local communities of which we are part. We have a strong culture, an international mindset, and an ambition to lead the industry.

Actions, results and next steps
In 2024, we carried out a number of activities to promote talent development across the organisation.

Structured employee development dialogues (EDDs) are a main stay in DEIF's talent engagement and development. In 2024, 89% of the employees took part in an EDD, which forms a vital part of the development of the individual employee. DEIF's Global Employee Policy states that the employees are entitled to at least one yearly EDD besides regular one-to-one meetings with their managers. Due to for instance sick leave or people leaving the organisation before the finalisation of the EDD, not all dialogues were conducted in due time. Our ambition is still to come as close as possible to 100%.

Mentor programme: In August 2023, we started the implementation of a global mentor programme, which was completed in June 2024. Seven mentors and seven mentees joined the programme. Two mentees were subsequently appointed as managers. In general, the mentees found the programme a good learning experience offering insights into their own career paths and the leadership philosophy and principles of DEIF. All mentees would recommend others to participate in the programme. In light of the positive evaluation and the results achieved, a new mentor programme will start in August 2025.

Development of top talents: During 2024, a number of talents were given the opportunity to work with top management or their local management on strategic projects, e.g. as culture or sustainability ambassadors. It is our development philosophy that participating in strategic projects and working closely with leaders in the organisation provide valuable learning and career opportunities for our top talents.

External courses: In 2024, DEIF spent DKK 1.8 million on external training activities in the global organisation (on average about DKK 3,000 per employee). The courses comprise general training, e.g. Danish language proficiency, and targeted courses for development of particular skills for individual employees. Besides we offer participation in external networks and online webinars. These activities are not registered in our present system.

Onboarding of new employees: Globally, all new employees are introduced to the DEIF Code of Conduct and DEIF's corporate values and participate in workshops on these topics. Besides, all new employees in Denmark participate in an onboarding programme facilitated by internal instructors and covering all major functions at DEIF.

To get to know each other better and improve collaboration between departments, we introduced a new concept of 'department baton', where teams across the global organisation get a chance to present themselves and their tasks in a 30-minute webinar. Many colleagues showed interest in and found the time to participate in the webinars, which will continue in 2025.

Health and safety

Onsite health and safety remain an important priority at DEIF.

Ambition

At DEIF, we prioritise our people's safety. We aim for zero work-related accidents, and we expect the same from our suppliers and other partners. When working at project sites, we work together with our customers to provide a safe working environment that prevents accidents and does not expose our employees to health and safety risks.

We provide safety training, instructions, and supervision for all colleagues and we only allow people who have been instructed in safety measures to carry out the work. All DEIF service engineers are trained to make on-site health and safety assessments, and it is the duty of every employee to refuse any work that may compromise safety. We carry out annual audits to make sure that we always comply with our safety policy.

All DEIF's subsidiaries organize the health and safety work in a structure that reflects the organisation's size with representation of both management and employees. A local health and safety manager ensures that DEIF complies with local regulations and industrial standards in the safety work.

Actions, results and next steps

In 2024, we recorded three accidents resulting in sick leave (2023: 0), while 10 near-accidents were recorded (2023: 11). The total sick leave in 2024 was 3% (2023: 3%).

Safety at the new factory had top priority in 2024. Risk assessment of processes covering production, testing, goods reception, internal transportation and operation of machinery commenced and will continue in 2025. Implementation of safety measures will minimize risks and ensure a safe working environment.

The launch of power converter production requires new safety measures. In 2024, all employees in the Danish testing and on-site service teams therefore completed the course EN50110, Operation of electrical installation.

For 2025, our target for accidents is 0. Our focus areas continue to be safety at the new factory, safety in connection with development, test and production of power converters, and safety during installation and service of power converters.

Affected communities

Ambitions
We continually strive to enrich the local communities that we are part of by creating jobs, opening our company to students and groups of people who may find it difficult to enter the job market. We also sponsor cultural and sports activities and collaborate with other stakeholders to promote causes related to environmental and social sustainability.

Actions and results
Across the world, DEIF companies cooperated with universities and technical schools, sponsoring equipment and offering teaching resources:

- At the RIT University in Dubai, focusing on developing software to integrate renewable power sources, DEIF delivered an AMC 600 system that will be used in the courses.
- In China at Jimei University (Xiamen), DEIF equipped a new energy laboratory with two sets of AC and DC power systems that can be used in teaching and research simulations. Likewise, DEIF supplied controllers for a new medium voltage switchboard panel at Guangdong Ocean University (Zhanjiang) for teaching and research purposes. DEIF also taught classes in power management systems at the Shanghai Maritime University.
- In Denmark, DEIF employees teach at various technical schools and universities, such as Viborg engineering school and other technical schools. DEIF also took part in the Danish Science Day initiative and opened the doors to school classes to increase the interest in STEM at an early age. Furthermore, DEIF offers internships of various kinds, both during studies and after, facilitating the entry into the labour market.
- In Austria, DEIF moved into new offices in the Technology Park located at the Alpen-Adria University campus. The office enables collaboration with the university and the technology park on a number of projects.

Sponsorships
Through sponsorships in Denmark, we support national and local initiatives. Among our major sponsorships in Denmark are:

- Donation to the independent Climate Foundation Skive (DKK 50,000/year in three years)
- Donation to the Alexander Foss Industry Foundation (DKK 80,000/year in five years)
- Donations to local cultural venues and sports clubs (approx. DKK 500,000/year)

Situated close to valuable nature and recreational areas, the employees of DEIF MEDiterranea in Southern France chose to spend their team-building day collecting waste at one of the nearby beaches. Supervised by the Surfrider Foundation, the team collected 160 litres of waste across 4 km of beach in just one hour, ranging from cans and glass bottles to cigarette buds and plastic waste.

GOVERNANCE

Since 1933, the Foss family has been the sole owners of DEIF. The family ownership allows for a long-term and responsible approach to business development, founded on the owner's vision: "To develop the company's value in the long term, always based on high ethical standards in relation to our employees, business partners, and society as a whole." All DEIF operations strive to hold up against standards of integrity, compliance to laws and regulations, human rights, fair competition, anticorruption and data privacy.

Business conduct

DEIF Code of Conduct
The DEIF Code of Conduct governs our work. All employees have been introduced to the CoC and all new employees receive training as part of the onboarding programme.

Internal Corporate Social Responsibility (CSR) assessments
In 2024, all major DEIF subsidiaries with more than 10 employees, completed internal CSR self-assessments using the Global Compact Assessment Tool published by the UN. The assessment showed compliance at all sites.

Whistle-blower system
DEIF provides both an internal and external whistle-blower system, ensuring that employees and external partners can report legal violations or serious complaints. The whistle-blower system is easily accessible from deif.com. In 2024, no whistle-blower reports were received.

Anti-corruption
DEIF has zero tolerance for corruption, bribery and extortion as stated in DEIF's anticorruption policy. Our contracts are always prepared in accordance with existing laws and regulations, ensuring that contracts with suppliers, consultants and other partners include sections on anticorruption. All new employees receive careful instructions in the anticorruption policy and participate in discussing dilemma cases. Regular brush-up courses are carried out throughout the organisation to sustain awareness. No cases were registrered in 2024.

Data ethics
At DEIF, we are at all times committed to protecting the confidentiality, integrity and availability of our information assets and data. We take full responsibility for information security in all our activities and products throughout DEIF's value chain. From start to finish, in all relationships and in all tasks, we will do everything possible to meet requirements and fulfil the expectations of all interested parties.

In 2024, we implemented a new data governance model and issued a new DEIF Information Security Policy. In 2025, employees will be trained in the new policy.

Our Information Security Management System, which is compliant with ISO 27001, sets the framework and standard for all cross-functional activities related to information security. We want to create a strong culture of information security awareness, and we will provide ongoing training for all employees. As a supplier to critical infrastructure, we want to comply with the requirements of the EU NIS-2 Directive and to protect personal data according to GDPR.

Cooperation with suppliers
DEIF requires all major suppliers, sub-suppliers and business partners to sign and commit to our Supplier Code of Conduct. Besides, suppliers commit to ensuring that minerals used are all from mines and smelters, which are certified as conflict-free.

We conduct audits and follow-up meetings with selected suppliers and set targets for self-assessment and reporting. In case of non-compliance, we ask suppliers to prepare action plans to close the gaps. In 2024, we entered a cooperation with an international auditing company that will carry out worldwide audits of suppliers' compliance with the DEIF Code of Conduct and the UN Sustainable Development Goals. In 2024, we also conducted two audits and one of them revealed a gap at one manufacturer from which we source one component. As part of our supplier consolidation strategy, we are working on moving the production to another supplier. As part of the audit, the audited manufacturers get feedback so that they can learn from the observations.

Strengthening human rights due dilligence
While DEIF has worked with a Code of Conduct for many years - implemented towards suppliers in 2016 - we need to strengthen our human rights due diligence processes both in the value chain and at DEIF.

As part of the UN Business & Human Rights Accelerator Programme 2025, DEIF will focus on establishing processes, which support the organisation in assessing human rights risks in the upstream value chain, but also with customers and end-users of DEIF's products.

Even though DEIF is currently not covered by the Corporate Sustainability Due Diligence Directive (CSDDD), we wish to use its framework to strengthen our approach. The need for an increased focus was fostered both by the DMA, but also external audits and customer cases, which demand an ethical assessment of the partnerships DEIF enters. This also includes the assessment of relations, which are not subject to international sanctions.

Overview of ESG indicators – targets and measured over the last five years

Indicator	Unit	Target	2024		2023		2022		2021		2020	
			Global	DK	Global	DK	Global	DK	Global	DK	Global	DK
Environment												
Total GHG emissions (Scope 1-3)	tCO_2e	42% reduction by 2030 from a 2023 baseline. Net-zero by no later than 2050.	41,093	-	43,932	-	40,572	-	-	-	-	-
Scope 1 - direct emissions from operations	tCO_2e	DK, close to 100% reduction in 2025 Global, 67% reductiobin 2030	250	229	425	349	473	426	316	203	239	113
Stationary combustion			59	0	199	144	253	202	-	-	-	-
Mobile combustion			191	67	226	91	217	109	-	-	-	-
Fugitive emissions			-	-	-	-	3	3	-	-	-	-
Scope 2 (location based)	tCO_2e		391	161	378	113	269	112	266	117	267	134
Purchased electricity			387	158	375	112	267	110	-	-	-	-
Purchased steam, heat, cooling			4	3	2	2	2	2	-	-	-	-
Scope 3 - indirect emissions in the value chain	tCO_2e		40,452	-	43,129	-	39,830	-	-	-	-	-
Purchased Goods and Services	tCO_2e		20,516	-	23,693		21,559	-	-	-	-	-
of which is related to production			16,408	-	19,869	-	19,433	-	-	-	-	-
of which is related to fixed costs (incl. subsidiaries			3,730	-	3,825	-	2,126	-	-	-	-	-
Capital Goods	tCO_2e		-	-	2,540	-	-	-	-	-	-	-
Fuel and Energy	tCO_2e		159	-	195	-	167	-	-	-	-	-
Transportation (Upstream & Downstream)	tCO_2e		1,238	-	941	-	1,014	-	-	-	-	-
Waste	tCO_2e		15	-	9	-	9	-	-	-	-	-
Business Travel	tCO_2e		1,879	-	1,639	-	1,621	-	-	-	-	-
Employee Commuting	tCO_2e		555	-	512	-	488	-	-	-	-	-
Optional Leased Assets (as lease)[1]			176	-	424	-	172	-	-	-	-	-
Processing of sold products	tCO_2e		0	-	0	-	0	-	-	-	-	-
Use of sold products	tCO_2e		16,035	-	16,101	-	14,942	-	-	-	-	-
End of Life	tCO_2e		54	-	40	-	30	-	-	-	-	-
Energy Usage - Electricity	kWh		2,119,388	1,675,366[2]	1,599,568	1,033,506	1,054,197	686,585	1,165,508	809,447	1,314.308	924,347
Heating (Gas)	m^3		11,826	0	97,762	70,827	108,795	100,164	92,973	84,656	56,629	42,177
Waste generated (DK)	tons		-	64	-	57	-	57	-	46	-	42
Waste for recycling (DK)	%		-	88	-	88	-	85	-	82	-	70
Chemical Substances (DK)	number		-	142	-	145	-	139	-	143	-	152
Turnover share of products sold to renewable applications & to improve efficiency	%		65	-	64	-	61	-	57	-	65[3]	-

[1] Not included in inventory total
[2] Excluding electricity consumption produced on-site by our own solar panels
[3] Including WPT (Wind Power Technology) in China, sold in 2021

Overview of ESG indicators – targets and measured over the last five years

Indicator	Unit	Target	2024		2023		2022		2021		2020	
			Global	DK	Global	DK	Global	DK	Global	DK	Global	DK
Social												
Number of Employees (headcount per 31 December)	number		591		551		519		499		497	
Number of Employees (FTE)	Number		565		522		493		539		542	
M/F in management[1]	%	M/F to reflect employee composition as a minimum	77/23		76/24		73/27		74/26		80/20	
M/F employees	%	Increasing diversity in recruitment	72/28		72/28		71/29		70/30		73/27	
M/F recruited	number	-	68/28		51/14		49/17		42/15		37/8	
Employee turnover	%	-	12		6.2		9		9.9		9.8	
Employee engagement[2]	index	Min index 75	77		N/A		78		N/A		76	
Sick leave total	%	-		3.0		3.0		3.2		2.4		2.4
Other native language than Danish[3]	number	-		40		33		31		26		19
People in flex jobs	number	-		9		6		3		5		6
Learning positions	%	Min 4%		5,6		5.8		6.7		5.4		N/A
Work accidents with sick leave	number	0		3		0		1		0		1
Near-accidents[4]	number	-		10		11		10		7		3
Work-related fatalities	number	-	0	0	2	0	0	0	0	0	0	0
Governance												
M/F in executive management	number	-	5/2		5/2		3/2		3/2		4/2	
M/F on Board (external members)	%	60/40	67/33		67/33		67/33		60/40		80/20	
Whistle-blower reports	number	-	0		0		0		0		0	

[1] Management comprises line and project management.
[2] Employee Engagement Survey conducted every second year in the global DEIF organisation by external partner.
[3] The number of employees is counted based on a personal evaluation - not registration
[4] No target for near-accident but request to report as many as possible to inspect and improve.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

APPENDICES

Income statement

		Group		Parent	
DKKm	Notes	2024	2023	2024	2023
Revenue	1	**765.6**	**715.3**	**632.0**	**592.7**
Production costs		-342.0	-316.2	-315.9	-300.1
Gross profit		**423.6**	**399.0**	**316.1**	**292.6**
Research and development costs		-93.7	-69.6	-93.7	-69.6
Distribution costs		-231.7	-213.3	-143.5	-138.2
Administration costs		-.64.3	-54.1	-64.9	-51.8
Other operating income	2	22.1	1.7	3.4	1.7
Operating profit (EBIT)		**55.9**	**63.7**	**17.3**	**34.6**
Income from equity investments in group enterprises	3	0.0	0.0	37.6	26.8
Financial income	4	1.9	2.7	0.2	1.4
Financial expenses	5	-18.2	-15.3	-29.9	-22.5
Profit before tax (EBT)		**39.6**	**51.1**	**25.2**	**40.3**
Tax on profit for the year	6	-10.2	-12.1	4.2	-1.3
Profit for the year		**29.4**	**39.0**	**29.4**	**39.0**

Balance sheet

Assets

31 december

		Group		Parent	
DKKm	Notes	2024	2023	2024	2023
Development projects		241.9	199.2	229.2	189.1
Goodwill		0.0	0.0	0.0	0.0
Intangible assets	7	**241.9**	**199.2**	**229.2**	**189.1**
Land and buildings		105.7	64.3	105.7	64.3
Plant and machinery		33.7	11.7	33.7	11.7
Other fixtures and equipment		25.4	14.5	10.9	5.4
Leasehold improvements		0.5	0.7	0.5	0.7
Property, plant and equipment under construction		15.8	66.7	15.8	66.7
Tangible assets	8	**181.0**	**157.9**	**166.5**	**148.7**
Equity investments in group enterprises	9	0.0	0.0	223.7	196.6
Deposits		2.8	2.6	0.4	0.3
Other non-current assets		**2.8**	**2.6**	**224.1**	**196.9**
Non-current assets		**425.7**	**359.7**	**619.8**	**534.8**
Inventories	10	**152.9**	**194.9**	**136.6**	**177.9**
Trade receivables		151.1	104.1	76.6	52.3
Receivables from group companies		0.9	3.0	89.9	58.6
Other receivables		7.8	27.5	3.7	5.7
Prepayments	11	6.6	3.3	3.5	0.9
Receivables		**166.4**	**137.9**	**173.7**	**117.5**
Cash		**34.3**	**26.3**	**7.5**	**4.1**
Current assets		**353.6**	**359.2**	**317.8**	**299.5**
Total assets		**779.3**	**718.8**	**937.6**	**834.3**

Liabilities

31 december

		Group		Parent	
DKKm	Notes	2024	2023	2024	2023
Share capital		5.2	5.2	5.2	5.2
Reserve for research and development costs		0.0	0.0	178.3	147.1
Reserve for net revaluation according to the equity method		0.0	0.0	36.1	39.0
Retained earnings		237.7	218.2	23.3	32.1
Hedging instruments - future transactions		-1.3	1.4	-1.3	1.4
Proposed dividend		10.0	20.0	10.0	20.0
Equity	12	**251.6**	**244.7**	**251.6**	**244.7**
Provisions for deferred tax	13	20.9	17.4	19.4	17.6
Provisions		**20.9**	**17.4**	**19.4**	**17.6**
Mortgage debt	14	33.7	25.6	33.7	25.6
Bank loans, long trerm	14	61.4	58.4	61.4	58.4
Other long term liabilities	14	21.0	20.8	19.1	18.8
Lease liabilities	14	2.4	1.5	2.4	1.5
Non-current liabilities		**118.6**	**106.3**	**116.6**	**104.3**
Mortgage debt	14	2.5	2.5	2.5	2.5
Bank loans	14	258.6	216.6	258.6	216.6
Lease liabilities	14	1.2	0.8	1.2	0.8
Trade payables		76.6	62.3	72.0	52.7
Payables to group enterprises		0.0	0.0	192.8	168.5
Income tax payables		8.5	2.8	0.0	0.0
Other payables		40.9	65.5	22.9	26.6
Current liabilities		**388.3**	**350.4**	**550.0**	**467.6**
Total liabilities		**506.9**	**456.7**	**666.6**	**572.0**
Equity and liabilities		**779.3**	**718.8**	**937.6**	**834.3**

Equity

DKKm	Share capital	Retained earnings	Hedging instruments - future transactions	Proposed dividend	Total equity
Group					
Equity at 1 January 2024	5.2	218.2	1.4	20.0	244.7
Ordinary dividend paid				-20.0	-20.0
Exchange rate adjustments		0.043			0.0
Adjustments for hedges			-3.3		-3.3
Tax related to items recognised directly in equity			0.7		0.7
Profit for the year		19.4		10.0	29.4
Equity at 31 December 2024	**5.2**	**237.7**	**-1.3**	**10.0**	**251.6**

DKKm	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Hedging instruments - future transactions	Proposed dividend	Reserve for research and development costs	Total equity
Parent							
Equity at 1 January 2024	5.2	39.0	32.1	1.4	20.0	147.1	244.7
Ordinary dividend paid					-20.0		-20.0
Exchange rate adjustments		0.0					0.0
Adjustments for hedges				-3.3			-3.3
Tax related to items recognised directly in equity				0.7			0.7
Profit for the year		-3.0	-8.9		10.0	31.3	29.4
Equity at 31 December 2024	**5.2**	**36.1**	**23.3**	**-1.3**	**10.0**	**178.3**	**251.6**

Cash flow

DKKm	Notes	2024	2023
Profit for the year		**29.4**	**39.0**
Adjustments for non-cash items	21	91.5	80.4
Changes in working capital	22	3.1	-40.1
Cash flows from operating activities before financial income and expenses and tax		**124.1**	**79.4**
Financial income, received		0.5	2.7
Financial expenses, paid		-16.8	-15.3
Income tax, paid (net)		0.3	-7.9
Cash flow from operating activities		**108.0**	**58.8**
Investments in intangible assets		-91.9	-82.5
Investments in tangible assets		-42.9	-79.2
Sale of tangible assets		0.3	0.0
Investments in other financial assets (net)		-0.3	-0.4
Cash flow from investing activities		**-134.8**	**-162.1**
Repayment of mortgage debt		-1.8	-2.2
Change other long term liabilities		0.3	0.3
Change bank loans		42.0	68.5
New long term bank loans		3.0	58.4
New mortage debt		10.0	0.0
Change lease liabilities		1.3	0.9
Dividend paid		-20.0	-20.0
Cash flow from financing activities		**34.8**	**105.9**
Increase / decrease in cash		**8.0**	**2.6**
Cash beginning of year		26.3	25.3
Exchange rate adjustments		-0.1	-1.5
Cash year end		**34.3**	**26.3**

Notes to the financial statements

1: Revenue

The disclosures in the financial statements include a breakdown of revenue by geographical marked based on the customer location.

	Group		Parent	
DKKm	2024	2023	2024	2023
Geographical markets:				
Asia	282.9	252.6	198.4	184.3
Europe & Africa	357.1	337.7	357.6	336.1
Americas	125.7	125.0	75.9	72.3
	765.6	**715.3**	**632.0**	**592.7**

2: Other operating income

Other operating income comprise gains from disposals, reimbursements and other income not related to the primary operating activities.

3: Income from equity investments in group enterprises

	2024	2023	2024	2023
Share of earnings from subsidiaries	0	0	42.5	27.8
Share of losses from subsidiaries	0	0	-1.7	-1.2
Change in internal profit on inventory from sales with-in the Group	0	0	-3.3	0.2
	0	**0**	**37.6**	**26.8**

4: Financial income

	2024	2023	2024	2023
Exchange rate adjustment	1.4	0.0	0.2	1.1
Other financial income	0.5	2.7	0	0.3
	1.9	**2.7**	**0.2**	**1.4**

5: Financial expenses

	2024	2023	2024	2023
Interest paid to affiliated companies	0.0	0.0	12.4	10.2
Exchange rate adjustment	0.0	1.6	0.0	0.0
Other financial expenses	18.2	13.7	17.5	12.3
	18.2	**15.3**	**29.9**	**22.5**

6: Tax on profit for the year

	Group		Parent	
DKKm	2024	2023	2024	2023
Current income tax	6.0	7.2	-6.7	-3.2
Adjustment of deferred tax	3.5	4.4	1.8	4.0
Tax for the year	**9.4**	**11.6**	**-4.9**	**0.8**
Tax for the year compres:				
Tax on profit for the year	10.2	12.1	-4.2	1.3
Recognised in equity	-0.7	-0.5	-0.7	-0.5
	9.4	**11.6**	**-4.9**	**0.8**
Tax on profit for the year compres:				
Tax rate of 22% on profit before tax and Income from equity investments in group enterprises	8.7	11.2	-2.7	3.0
Permanent differences	0.1	0.1	0.1	0.1
Effect of deviation of foreign subsidiaries' tax rate relative to Danish tax rate	2.9	2.5	0.0	0.0
Permanent differences related to research and development costs	-1.8	-1.8	-1.8	-1.8
Other taxes and adjustments	0.2	0.0	0.2	0.0
	10.2	**12.1**	**-4.2**	**1.3**

Notes to the financial statements

7: Intangible assets

DKKm	Development projects	Goodwill
Group		
Cost beginning of year	479.9	14.7
Additions for the year	91.9	0.0
Disposals for the year	0.0	0.0
Cost end of year	**571.8**	**14.7**
Depreciation and impairment beginning of year	280.6	14.7
Disposals during the year	49.3	0.0
Depreciation during the year	0.0	0.0
Reversal of depreciation and impairments on disposals	0.0	0.0
Depreciation and impairment year end	**330.0**	**14.7**
Carrying amount year end	**241.9**	**0.0**
Intangible assets are amortised on a straight-line basis over the expected useful lives of the assets:	3-10 years	3-10 years

DKKm	2024	2023
Depreciation and impairment of intangible assets is recognised as:		
Research and development costs	49.3	46.5
	49.3	**46.5**

Development projects consist of new products and solutions to be used in decentralized power production and power management. The cost mainly includes direct salary costs, consultancy costs and purchased materials. This is registered in the internal project management tool.

The booked value as of 31 December 2024 totals 241.9 DKKm – of this 62.5 DKKm related to development projects in progress. New products and solutions is expected to significantly contribute to the revenue in the coming years.

7: Intangible assets (continued)

DKKm	Development projects	Goodwill
Parent		
Cost beginning of year	464.1	14.7
Additions for the year	85.7	0.0
Disposals for the year	0.0	0.0
Cost end of year	**549.7**	**14.7**
Depreciation and impairment beginning of year	274.9	14.7
Disposals during the year	0.0	0.0
Depreciation during the year	45.6	0.0
Reversal of depreciation and impairments on disposals	0.0	0.0
Depreciation and impairment year end	**320.5**	**14.7**
Carrying amount year end	**229.2**	**0.0**
Intangible assets are amortised on a straight-line basis over the expected useful lives of the assets:	3-10 years	3-10 years

DKKm	2024	2023
Depreciation and impairment of intangible assets is recognised as:		
Research and development costs	45.6	43.4
	45.6	**43.4**

Please refer to the Group section of development projects for a description of the projects.

Notes to the financial statements

8: Tangible assets

DKKm	Land and buildings	Plant and machinery	Other fixtures and equipment	Leasehold improve-ments	Property, plant and equipment under construction
Group					
Cost beginning of year	130.1	96.4	72.9	5.7	66.7
Exchange rate adjustment	0.0	0.0	-0.5	0.0	0.0
Additions for the year	6.1	11.0	13.0	0.2	12.5
Disposals for the year	0.0	-0.2	-1.1	0.0	0.0
Transferring during the year	42.1	16.8	4.5	0.0	-63.5
Cost end of year	**178.3**	**124.0**	**88.8**	**5.9**	**15.8**
Depreciation beginning of year	65.9	84.6	58.3	5.0	0.0
Exchange rate adjustment	0.0	0.0	-0.1	0.0	0.0
Depreciation for the year	6.8	5.8	6.2	0.4	0.0
Depreciation of disposed assets for the year					
Reversal of depreciations on sold assets	0.0	-0.2	-1.0	0.0	0.0
	0.0	0.1	0.0	0.0	0.0
Depreciation end of year	**72.6**	**90.3**	**63.4**	**5.4**	**0.0**
Carrying amount end of year	**105.7**	**33.7**	**25.4**	**0.5**	**15.8**
Depreciations	25-50 years	5-10 years	3-10 years	5 years	
Of which financial leases assets	0.0	0.0	7.2	0.0	0.0

8: Tangible assets (continued)

DKKm	Land and buildings	Plant and machinery	Other fixtures and equipment	Leasehold improve-ments	Property, plant and equipment under construction
Parent					
Cost beginning of year	130.1	96.4	43.2	5.7	66.7
Additions for the year	6.1	11.0	3.9	0.2	12.5
Disposals for the year	0.0	-0.2	-	0.0	0.0
Transferring during the year	42.1	16.8	4.5	0.0	-63.5
Cost end of year	**178.3**	**124.0**	**51.6**	**5.9**	**15.8**
Depreciation beginning of year	65.9	84.6	37.7	5.0	0.0
Depreciation for the year	6.8	5.8	3.0	0.4	0.0
Depreciation of disposed assets for the year					
Reversal of depreciations on sold assets	0.0	-0.2	0.0	0.0	0.0
Write down	0.0	0.1	0.0	0.0	0.0
Depreciation end of year	**72.6**	**90.3**	**40.7**	**5.4**	**0.0**
Carrying amount end of year	**105.7**	**33.7**	**10.9**	**0.5**	**15.8**
Depreciations	25-50 years	5-10 years	3-10 years	5 years	
Of which financial leases assets	0.0	0.0	7.2	0.0	0.0

DKKm	2024	2023
Depreciation and impairment of tangible assets, and profit or loss from the sale of tangible assets is recognised as:		
Production costs	5.6	2.5
Research and development costs	2.0	1.2
Distribution costs	7.5	5.2
Administration costs	4.0	2.6
	19.1	**11.5**

DKKm	2024	2023
Depreciation and impairment of tangible assets, and profit or loss from the sale of tangible assets is recognised as:		
Production costs	5.6	2.5
Research and development costs	2.0	1.2
Distribution costs	4.3	2.8
Administration costs	4.0	2.6
	15.9	**9,1**

Notes to the financial statements

9: Investments in group enterprises

DKKm	2024	2023
Parent		
Equity investments in group enterprises		
Cost beginning of year	157.6	157.6
Additions for the year	0.0	0.0
Cost end of year	**157.6**	**157.6**
Net revaluations beginning of year	39.0	22.4
Exchange rate adjustments	0.0	-1.1
Profit for the year	41.0	26.7
Dividend paid to the parent company	-10.7	-9.3
Change in internal profit on inventory from sales with-in the Group	-3.3	0.2
Net revaluations end of year	**66.1**	**39.0**
Carrying amount year end	**223.7**	**196.6**

9: Investments in group enterprises (continued)

Shares in subsidiaries:

Name	Place	Paid in capital	Ownership	Equity DKKm
DEIF Norge AS	Tönsberg, Norway	TNOK 1.000	100%	1.8
DEIF GmbH	Bensheim, Germany	TEUR 25	100%	6.1
DEIF (UK) Limited	Manchester, England	TGBP 518	100%	4.9
DEIF Electrical (Shanghai) Co., Ltd	Shanghai, China	TCNY 5.000	100%	14.3
DEIF do Brasil	Campinas, Brasil	TBRL 200	100%	4.2
DEIF Inc.	Chicago, USA	USD 100	100%	8.2
DEIF India Pvt. Ltd.	Mumbai, India	TINR 880	100%	4.0
DEIF MEDiterranea SARL	Sophia-Antipolis, France	TEUR 25	100%	5.5
DEIF Asia Pacific Pte Ltd.	Singapore, Singapore	TSGD 50	100%	6.3
DEIF Middle East FZE	Dubai, UAE	TAED 100	100%	3.1
WPT China Holding A/S	Skive, Denmark	TDKK 100.5	100%	168.1
DEIF Korea Co. Ltd.	Busan, Republic of Korea	MKRW 200	100%	1.6
DEIF Mexico S.A. de C.V.	Mexico City, Mexico	TMXN 100	100%	3.2
DEIF Wind Power Technology Austria	Klagenfurth, Austria	TEUR 35	100%	10.4
Total amount				**241.8**
Internal profit 31. December 2024				-18.1
				223.7
Investments transferred to provisions for negative investments in group enterprises				0
				223.7

Notes to the financial statements

10: Inventories

	Group		Parent	
DKKm	2024	2023	2024	2023
Raw materials and consumables	114.8	150.1	114.8	150.1
Work in progress	6.8	5.4	6.8	5.4
Manufactured goods and goods for resale	47.7	52.4	13.2	20.6
Indirect production costs	1.7	1.8	1.7	1.8
Internal profit on stock	-18.1	-14.8	0.0	0.0
	152.9	**194.9**	**136.6**	**177.9**

11: Prepayments

Prepayments comprise prepaid costs incl. insurance, rent etc.

12: Equity

No shares as been given any special rights.

Total contributed capital of DKK 5.155.000 is allocated in shares of DKK 100 each.

There has not been any capital changes the last 5 years

13: Provisions for deferred tax

	Group		Parent	
DKKm	2024	2023	2024	2023
Intangible assets	50.4	41.6	50.4	41.6
Tangible assets	4.0	2.7	4.0	2.7
Borrowing costs	-0.3	-0.3	-0.3	-0.3
Inventories	0.4	0.4	0.4	0.4
Trade receivables	-0.2	-1.4	-0.2	-1.4
Prepayments	0.8	0.2	0.8	0.2
Tax loss carryforwards	-34.2	-25.8	-35.7	-25.6
	20.9	**17.4**	**19.4**	**17.6**

Defered tax is calculated based on the current tax rate (22%)

Deferred tax beginning of year	17.4	13.0	17.6	13.6
Recognised in the income statement	2.7	3.9	1.0	3.5
Recognised directly in equity	0.7	0.5	0.7	0.5
	20.9	**17.4**	**19.4**	**17.6**

14: Non-current liabilities

Repayments due with-in 1 year is classified as short term liabilities. Other liabilities is recognised as long term liabilities.

Non-current liabilities falls due as follows:

	Group		Parent	
DKKm	2024	2023	2024	2023
Mortgage debt (non-current liability)				
After 5 years	23.5	16.6	23.5	16.6
Between 1 and 5 year	10.2	9.0	10.2	9.0
Non-current	**33.7**	**25.6**	**33.7**	**25.6**
With-in 1 year	2.5	2.5	2.5	2.5
	36.3	**28.1**	**36.3**	**28.1**
Bank loans				
After 5 years	37.0	27.4	37.0	27.4
Between 1 and 5 year	24.4	31.0	24.4	31.0
Non-current	**61.4**	**58.4**	**61.4**	**58.4**
With-in 1 year	258.6	216.6	258.6	216.6
	320.0	**275.0**	**320.0**	**275.0**
Lease liabilities (non-current liability)				
Between 1 and 5 year	2.4	1.5	2.4	1.5
With-in 1 year	1.2	0.8	1.2	0.8
	3.6	**2.3**	**3.6**	**2.3**
Other long term liabilities				
Between 1 and 5 year	21.0	20.8	19.1	18.8
	21.0	**20.8**	**19.1**	**18.8**

15: Proposed distribution of profit

Reserve for net revaluation according to the equity method	0.0	0.0	28.3	46.2
Retained earnings	19.4	19.0	-8.9	-27.2
Proposed dividend for the financial year	10.0	20.0	10.0	20.0
	29.4	**39.0**	**29.4**	**39.0**

Notes to the financial statements

16: Contingent liabilities

	Group		Parent	
DKKm	2024	2023	2024	2023
Lease- and rent commitments				
Rent obligation	22.6	13.0	0.7	0.6
Lease obligation related to machinery and company cars	17.3	18.5	14.1	14.0
Securities and guarantees				
Below assets has been used as securety for mortage loans:				
Land and buildings and buildings with a carrying amount of	105.7	64.3	105.7	64.3
Below assets has been used as securety for bank loans:				
Other securities and cash with a carrying amount of	0.3	0.3	0.0	0.0
Guarantee towards the bank	1.7	1.7	1.7	1.7
Company Pledge towards the bank	60.0	60.0	60.0	60.0
Gurantees towards selected vendors and other	0.0	0.0	0.0	0.0

Contractual obligations

The company has entered into frame agreements with selected vendors regarding ongoing purchases.

Contingent liabilities

The parent company and its Danish subsidiaries are a part of a Danish joint taxation of which FJV Foss Holding A/S is the administrative entity. The company is liable for potential obligations for withholding taxes on interest, dividends and company taxes within the joint taxation according to the company taxation law.

17: Fee to auditors appointed at the annual general meeting

	Group		Parent	
DKKm	2024	2023	2024	2023
Fee for statutory audit	0.4	0.3	0.4	0.3
Other services	0.1	0.2	0.0	0.2
	0.5	**0.5**	**0.4**	**0.5**

18: Staff costs

Wages and salaries	323.5	282.9	230.6	194.5
Pensions	24.3	23.3	17.7	17.7
Other social security expenses	26.7	23.8	10.4	9.1
	374.5	**329.9**	**258.7**	**221.3**
Staff costs has been recognised as:				
Production costs	72.1	59.3	72.1	59.3
Research and development costs	91.6	74.5	91.6	74.5
Distribution costs	168.1	159.2	52.2	50.6
Administration costs	42.8	36.9	42.8	36.9
	374.5	**329.9**	**258.7**	**221.3**
Hereof salaries and wages for Executive Board and Board of Directors	**5.4**	**4.5**	**5.4**	**4.5**
Average number of employees	**565**	**522**	**386**	**350**

According to section 98b(3), no. 1 of the Danish Financial Statement Act, renumeration of the Executive Board and the Board of Directors are disclosed as one item.

19: Related parties

FJV Foss Holding A/S is a related party and has a controlling interest in the company

All shares are owned by: FJV Foss Holding A/S,
Frisenborgvej 33, 7800 Skive, Denmark.

In accordance with The Danish Financial Statements Act § 71 it shall be stated that, the Company's annual report is included in the consolidated financial statements of FJV Foss Holding A/S.

Transactions

DEIF A/S has an ongoing balance towards FJV Foss Holding A/S. The non settled balance is recognised in the balance sheet as receivables from group companies.

The transactions with related parties relates to normal remuniation to the board of directors, and settlement of tax with-in the Group. All transactions with related parties is carried at arms lengths.

Notes to the financial statements

20: Derivative financial instruments

The company has financial contracts related to currency hedges and interest swaps.

Fair value of derivative financial instruments at the balance sheet date:

	Group		Parent	
DKKm	2024	2023	2024	2023
Assets	0.0	1.2	0.0	1.2
Liabilities	2.1	0.0	2.1	0.0

Interest swaps and currency hedges has been made to hedge the future cash flow realed to mortage loans. The fair value of interest swaps on the balance sheet date totals 2.1 DKKm. Interest swaps and currency hedges expire in 2025.

Currency hedges and interest swaps has been valued at fair value based on the value of interest rate and currency in the open marked.

21:

DKKm	2024	2023
Adjustments for non-cash items		
Financial income	-0.5	-2.7
Financial expenses	16.8	15.3
Depreciation and impairment of intangible and tangible fixed assets	68.4	58.0
Loss/gain from the sale of fixed assets	0.0	0.0
Adjustment for derivative financial instrumentsr excl. Tax	-3.3	-2.3
Tax on profit for the year	10.2	12.1
	91.5	**80.4**

22:

Changes in working capital		
Change in inventory	42.0	-42.1
Change in receivables	-28.5	35.6
Change in trade payables etc.	-10.3	-33.6
Change related to discontinued activities	0.0	0.0
	3.1	**-40.1**

Appendix 1: Value Chain Estimation

The following metrics have been calculated using indirect sources

Metrics	Basis for preparation	Level of accuracy	Actions for improved accuracy
E1-6, 50 Scope 1&2 GHG Emissions			
Category 2.2 Purchased Energy (District Heating)	Emissions from the heating purchased by DEIF to heat relevant offices.	Data does not cover 100% and sometimes has been assumed	- No actions planned
E1-6, 51 Scope 3 GHG Emissions			
Category 3.1 Purchased Goods and Services	Data for procured materials is given in one list with material quantities and weights. These are then grouped into categories and sub-categories. The sub-categories are used to inform emission factor selection. The total mass of these categories is collected, and relevant emissions factors are applied. Additionally, a list of spend on various broad categories is generated which are then mapped to different EXIOBASE categories.	Activity data is very solid which represents most emissions, however there is also spend based data. Emission Factors cover different levels of granularity, DEIFs purchased material data has been sorted into categories by DEIF however when aggregating data there is always a trade off in accuracy. Spend based factors are broad by nature.	- Identification of high impact categories, which can be improved. - LCA assisted improvement for key components. - Expanding categories with weights - Supplier collaboration in primary data acquisition
Category 3.4 & 3.9 Upstream and Downstream Transportation	DEIF uses one primary logistics provider, which delivers primary data. Additional transportation data is based on spend data from logistics providers outside of the main provider, is used to calculate spend based emissions. Subsidiary arranged product transport data is given in spend and converted to EUR accounting for inflation and average conversation rates during the reporting year. While the primary logistics provider covers most shipping from TIER 1 suppliers to DEIF, some is arranged by the suppliers and therefore may be missing. Finally downstream emissions are calculated for cases where DEIF's customers arrange for shipment themselves based on destination location as well as provided shipping mode (flight, sea freight, etc.)	Medium level of accuracy. Primary data from primary provider. But the data does not cover 100%. Emission factors are including spend –based factors.	- No actions planned
Category 3.5 Waste generated in operations	Data was collected from DEIF's facilities in DK and reported on at the subsidiary level.	Medium level of accuracy Data reported at the subsidiary level is assumed to be incomplete, however DEIF HQ data is reported. Emission Factors for different waste treatments are accurate; however, waste treatment is often assumption-based.	- No actions planned, minor impact in subsidiaries
Category 3.10 Processing of Sold Products	For a small product range, the use of power tools is used to install the products. This is based on the assumed time used for the installation and the average power usage of the tool used.	Medium level of accuracy. Insight from service personnel, but no measurements on site.	- No actions planned, minor category (0,09% - 2024)
Category 3.11 Use of Sold Products	Lifetime energy consumption of products sold is calculated as the 24/7 operation at average power consumption according to the product technical data sheet. This consumption is then multiplied by total product sales in the reporting year.	Data basis: Average energy use data for products, assumed average running time, assumed geographic location, marine products: diesel emission factor, other products: national grid mix.	- Assessment if the source of energy used to run the products can be more accurate. - Potential collaboration with customers to obtain primary data.
Category 3.12 End-of Life of Product	The bill of materials was separated into broad categories aligned with emissions factors from the US EPA (i.e., plastics, mixed metals, electronics, etc.) and then an average End-of-Life emissions per product sold value was created. This was then multiplied by the number of sold products in the reporting year. Data coverage may be missing for sold components by DEIF in the reporting years.	Global average used, as location of end-of-life treatment is unknown. Waste handling procedures are assumed and co uld be strengthened by incorporating real world data. Data coverage for the bill of materials could be strengthened and components should be included. Low level of control over actual end-of-life treatment data.	- No actions planned

Appendix 2: ESG Accounting Principles

Environment	Description	Definition
Total GHG emissions (Scope 1-3)	Total emissions of DEIF operations calculated according to the guidelines of GHG protocol. The delimitation runs according to an operational control, which means that all emission sources over which DEIF as DEIF has operational control are included in the climate accounts.	Sum of Scope 1, 2, and 3 emission calculations.
Scope 1	Scope 1: Direct emissions from the company's own sources, such as fuel consumption in production processes or fleet of vehicles. Mobile Combustion: Emissions from fuels or electricity used from cars owned or controlled by DEIF. Stationary Combustion: Emissions coming from the combustion of fossil gas primarily used for space heating at DEIF DK, DE, and US. Fugitive Emissions (Refrigerant Leaks): Emissions from refrigerants used in air conditioning at DEIF DK.	Scope 1 is the sum of below: Mobile Combustion: Data was collected by DEIF DK as well as at the local subsidiary level. While most data is based on distances travelled, where not possible, data has been reported on the basis of allowed KM driven annually. The emission factors used are activity-based and referred rto the specific fuels used on the leased cars (petrol and diesel). The emission factor source is from DEFRA, Fuels, Liquid fuels, Diesel (average biofuel blend) and DEFRA, Fuels, Liquid fuels, Diesel (average biofuel blend). Stationary Combustion: Utility bills and data has been collected for all of DEIF's locations that use fossil gas for heating, Germany, the US, and Denmark. DEFRA emissions factor used for volume of fossil gas used. Fugitive Emissions (Refrigerant Leaks): Contractors have provided bills which include the amount of refrigerant replaced during annual maintenance.The emission factors are precise if the data from refrigerants is in kg, IPCC/DEFRA factors are used to convert these amounts into CO_2e.
Scope 2 (location based)	Scope 2: Indirect emissions associated with the purchased energy used by the company, such as electricity or heat. Calculated for DK and all our subsidiaries. Purchased Energy - Electricity: Emissions coming from the electricity purchased by DEIF, both at subsidiaries and in the headquarters. Purchased Energy - District Heating: Emissions coming from the heating purchased by DEIF to heat relevant offices.	Purchased Energy - Electricity: Included in the subsidiaries data reporting file, DEIF DK data collected from utility bills separately. Calculations have been done following location-based calculations and therefore use national average grid emissions factors from International Energy Agency (IEA) with the exception of Denmark which uses the more accurate DK1 emissions factor corresponding to the grid which the headquarters in Skive is connected to. Purchased Energy - District Heating: Collected utility bills, otherwise reported consumption in energy units (mWh) from subsidiaries. District heating consumption at TKT is based on estimated activity from spend in comparable jurisdictions. District heating consumption for Silkeborg was estimated in 2023 based on 2022 consumption. Emission factors are mostly activity-based and come from DEFRA.
Total Scope 1&2	Sum of direct GHG emissions from Scope 1 and indirect GHG emissions from Scope 2.	Sum of Scope 1 + sum of Scope 2 emissions.
Scope 3	Scope 3: Other indirect emissions arising from the company's activities but beyond its direct control, such as transport of products, raw materials and waste management.	Sum of all GHG emissions from Scope 3 categories.
Purchased Goods and Services	Emissions coming from both physical goods and services bought by DEIF. Purchased Goods and Services is divided into goods and services related to production and goods and services related to fixed costs (incl. subsidiaries).	Data for procured materials with material quantities and weights. These are then grouped into categories and sub-categories. The sub-categories are used to inform emission factor selection. For various broad categories a list of spend is used, which are then mapped to different EXIOBASE categories. Multiple emission factors have been used for the different categories and subcategories. Emission Factors for this category are both activity & spend based, and have been taken from relevant databases from both EXIOBASE and ECOINVENT.
Fuel and Energy	Extraction, production, and transportation of fuels and energy purchased or acquired by DEIF, not already accounted for in scope 1 or scope 2, including: • Upstream emissions of purchased fuels (extraction, production, and transportation of fuels consumed by DEIF) • Upstream emissions of purchased electricity (extraction, production, and transportation of fuels consumed in the generation of electricity, steam, heating, and cooling consumed by DEIF) • Transmission and distribution (T&D) losses (generation of electricity, steam, heating and cooling that is consumed (i.e., lost) in a T&D system) – reported by end user	The emission factors used are per country level for electricity. The emission factor for both upstream emissions and T&D losses are from the IEA. For mobile combustion, DEFRA emissions factors are used.

Environment	Description	Definition
Transportation (Upstream & Downstream)	Upstream: Scope 1&2 emissions of transportation and distribution providers that occur during use of vehicles and facilities incl: • Transportation of goods from tier 1 suppliers • DEIF purchased transport services Downstream: The scope 1 and scope 2 emissions of transportation providers, distributors, and retailers that occur during use of vehicles and facilities when DEIF is not paying for it (e.g., from energy use).	Data from logistics partner provides GHG data directly and therefore no emissions factors are used on DEIF's side. Data from other logistics providers is collected in the form of spend-based data. The emission factor for activity-based data (data in km) from DEIF's downstream shipping is from DEFRA. Emission factors for Spend-based data is from EXIOBASE.
Waste Generated	Disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company) and transportation of waste-to-waste management (optional).	According to the GHG protocol, the emissions from waste are only the actual emissions from the waste treatment processes, no substituting emissions of energy generation or recycled materials are allowed. The emission factor for waste generation are from the US EPA.
Business Travel	Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company). Data was collected from: • Travel Agency • Activity-based travel in Denmark mostly relating to car traffic • Spend-based costs for travel booked in Denmark outside of Egencia • Spend-based costs for travel booked at DEIF's international subsidiaries • Activity-based travel at DEIF's international subsidiaries mostly relating to car traffic	The emission factor is sourced from DEFRA; UK Government GHG Conversion Factors for Company Reporting. The emission factor is given in kg CO_2/passenger km. The fuel type of cars is unknown and therefore an unknown fuel type emission factor is also chosen, this represents an average of UK car fleet which should be representative of EU countries. However, may not fully accuracy represent the global car fleet. Importantly however most emissions in this category stem from flights.
Employee Commuting	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company).	Survey was sent out to all employees at DEIF DK in 2023.The results of the survey were scaled up to the full number of employees in both 2022 and 2023. Employee commuting at subsidiaries in 2024 were collected on a subsidiary level assumed to be complete. The emission factors are mostly sourced from DEFRA; UK Government GHG Conversion Factors for Company Reporting, 2024. The emission factor is given in kg CO_2/passenger km and therefore the emission factor has been divided by 2 if people are sharing cars.
Upstream Leased Assets (Optional Emissions)	Operation of assets that are leased by the reporting company in the reporting year and not already included in the reporting company's scope 1 or scope 2 inventories. DEIF has chosen to include optional emissions from this category pertaining to the life cycle emissions associated with manufacturing of these leased assets. When DEIF leases a new car, the emissions associated with the manufacturing of this car have been added, as an optional emissions category, to DEIF's inventory. If DEIF leases a used asset no emissions are added. Importantly, these emissions care not a part of DEIF's SBTs nor can they be reported on as a part of DEIF's total inventory but must be reported on separately.	Newly leased assets (company cars) are included in this category. This category only includes leased assets, which have commenced their leasing period in the reporting year. An average weight per car is assumed depending on the fuel type and emissions factors are chosen correspondingly. . The emission factors are sourced from Ecoinvent 3.10
Processing of Sold Products	The scope 1 and scope 2 emissions of downstream companies that occur during processing (e.g., from energy use). While DEIF's products generally do not require energy to be added to the product which they control (e.g., a generator or wind turbine) however following feedback from SBTi during the validation process a very small amount of emissions was added corresponding to the energy consumption of an electric drill used to screw in a product.	The emission factors are from IEA corresponding to the global average electricity emissions factor.
Use of Sold Products	The direct use-phase emissions of sold products over their expected lifetime (scope 1 and scope 2 emissions of end users that occur from the use of: products that directly consume energy during use; fuels and feedstocks etc.).	To calculate CO2e from the product lifetime energy consumption, we used a composite emissions factor derived from the countries to which DEIF shipments were sold to. It is known that this may not be the most accurate approach and highly recommended to perform an investigation into the power source of DEIF's products. The emission factors are sourced from the IEA for purchasing country which DEIF products are sold to. As these products may end up elsewhere, or be powered by sources other than national grids, this is considered to be an estimate while more specific data is gathered.
End of Life	The scope 1 and scope 2 emissions of waste management companies that occur during disposal or treatment of sold products.	A list of materials purchased in the reporting year is the basis of this assessment. It is assumed that these materials are used to create DEIF's products and therefore end-of-life emission factors are applied directly to the sourced materials. US EPA factors were used based on assumed global waste handling procedures. As it is unknown what happens to DEIF's products at End of Life global average values were used as a combination of recycling and landfilling.

Environment	Description	Definition
Energy Usage Electricity	Electricity usage is documented in different ways, depending on the location. While at headquarters in Skive DEIF has various local meter readings for the subsidiaries it is a mix of invoices and a cost embedded in the leasing of the respective premises.	Sum of meter readings and invoiced KWh for all of DEIFs locations.
Heating (Gas)	Gas is used in two of DEIFs global locations - Bensheim (DE) and Wood Dale (US) for heating purposes. Gas use is invoiced by the respective utility company and measured in m^3.	Sum of m^3 used in both locations.
Turnover share of products sold to renewable applications & to improve efficiency	When a sales order is invoiced in DEIF, a Customer "Sub-segment" is added to the order, explaining what the order is used for (these can e.g., be seen in CRM). This Sub-segment forms the basis for our Turnover distribution and is categorised as shown below: • Green: "Wind Power sales" and "Hybrid/Microgrid" are classified as green turnover • Retrofit & Upgrade: All the "Refit"-segments are classified as "Retrofit & Upgrade" • Passive: The rest (incl. sales to Practek ("EMS") is classified as "Passive" - inclusive fossil fuel reduction (power management)	
Waste generated Waste for recycling	Amount of waste generated, and percentage of waste recycled (DK): All our waste in Skive are collected and weighted by the supplier Marius Pedersen. We have several fractions of wastes (food waste, cardboard, etc.) and each of them is weighted by the supplier. This allows to get both the total amount of waste generated and the percentage of waste recycled by month and by year. All data are provided by Marius Pedersen and available on their online platform.	Sum of tonnage of waste generated. Share of waste fractions, which enter recycling streams.
Chemical Substances	Chemical substances: All our chemicals are recorded in a Chemical Management system. The system provides the total number of chemicals registered at a given time. The number reported is the number of chemicals registered in the system at the end of the year.	Sum of individual chemical substances registered in the Chemical Management System at the end of the year.

Social	Description	Definition
Number of Employees	Is calculated and reported every month. The number defined is the status of headcount as per 31.12.2023), which is based on data from the HR-system (People First). Excluded: interns (from either schools or "the job centre in the municipality"), young workers, student workers, maternity covers, temporary hires/employments (employed for a year or less), seasonal workers, consultants. Included: all full and part time employees, trainees, employees on "flexible jobconditions", employees who throughout the year has either been on maternity leave or short/long term sick leave.	Calculation: No of new hires in the month of December deducted from the number of exits in December and added to Novembers total no of headcounts.
M/F in management	Management comprises line management positions with people responsibility and is based on the actual number of females and males globally within the HR system and calculated as year end figures.	The ratio is defined as male managers in percentage of total no. of managers and female managers in percentage of total no. of managers = 100% .
M/F employees	The split between genders in total workforce is measured by headcount based on data from the HR system and reported as the percentage of women and men.	The ratio is defined as male employees in percentage of total no. of employees and female employees in percentage of total no.of employees = 100% .
M/F recruited	The split between genders are related to the recruitments conducted and only covers the recruited people who started in the company and its subsidiaries in the reporting year.	The ratio is defined as no of new hires of females and males .

Social	Description	Definition
Employee engagement	Employee Engagement Survey is conducted every second year and was implemented back in 2008. The survey is run by an external provider, who ensures that all data and survey results remain anonymous and are treated confidentially.	Engagement in 2023 is calculated as an average of two questions: 1. I feel motivated in my job and. 2. I would recommend others to seek employment at DEIF.
Employee turnover	Employee turnover is reported as the percentage of employees who left DEIF, including voluntary exits, involuntary exits, and retirements, divided by the headcount over a 12-month period.	
Sick leave total	The data is basesd on number of days of sick leave; covering parttime and full-time sick leave. Sickleave related to sick children or §56 is not included in the data.	No. of sick days / no. of employees / no. of working days * 100 = sick leave in % pr. Month.
Other native language than Danish	The number of employees with another native language than Danish is counted based on a personal evaluation as we do not register nationality in our HR system. A list with all employees are made and HR goes through the list and mark the people with another native language than Danish. The evaluation is only made for employees in Denmark.	
Flexjob	People hired on special conditions - either in regards to number of hours and/or with special working conditions i.e. avoiding heavy lifting or too complex tasks. A special registration is made in the HR system when hired on a “flex-job”.	No of people on a “flex-job” contract.
Learning positions	We operate with 3 different categories of learning positions: • Interns (as students); are typically “working on a project” in DEIF as part of their study. They are only in DEIF for a limited period and do not get a contract • Interns (citizens from the municipality); who are paid by the municipality, and “working” in DEIF for a period in order to evaluate, which job possibilities and considerations that need to be in place for them to succesfully enter a specific job again - either full or parttime. • Trainees/Apprentices: Are hired on a training contract with DEIF and will be paid during the training period	
Work accidents with sick leave Near-accidents	Near-accidents and work accidents with sick leave are reported to the Health, Safety, and Environment group and if an accident occur, it will be registered in the Safety Corrective & Preventative Actions system and discussed. For each situation improvement areas are defined in order to avoid similiar situations in the future. HSE has meetings 6 times per year in order to follow up on the improvements and accidents in general (if any).	

Governance	Description	Definition
M/F in executive management	Is calculated as the ratio between male and female among the members of executive management.	The ratio is defined as no of male managers and no of female managers.
M/F on Board (external members)	Is calculated as the ratio between males and females among the external members of the Board of Directors. The internal representative is not included in the calculation.	The ratio is defined as male managers in percentage of the total no of members in the Board of Directors and female managers in percentage of the total no of members in the Board of Directors.
Whistle-blower reports	Is a summarized calculation of the number of reports in the whistle-blower system. Calculation done by Legal as they are the only ones having access to the system. At present, the whistle-blower scheme only applies to the employees of DEIF.	

Appendix 3: Financial Accounting Principles

Basis of preparation

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (Årsregnskabsloven) for large enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

The annual report is prepared in DKK million.

Diversity

The under-represented gender in the board of management is the total number of women represented in the board. Members elected by the employees is not included.

The under-represented gender in executive management is the total number of women represented in the executive management.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below. On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

Basis of consolidation

The consolidated financial statements comprise DEIF A/S (Parent) and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

The consolidated financial statements are prepared on the basis of the financial statements of DEIF A/S and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies. Subsidiaries' financial statement items are recognized in full in the consolidated financial statements.

On recognition of subsidiaries, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with subsidiaries, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognized under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognized asset or a recognized liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are classified directly in equity. When the hedged transactions are realized, the accumulated changes are recognized as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognized currently in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognized in the income statement when delivery is made, and risk has passed to the buyer. Revenue is recognized net of VAT, duties and sales discounts and measured at fair value of the consideration fixed.

Production costs

Costs incurred, directly or indirectly, to generate the revenue for the year, including raw materials and consumables, wages and salaries and lease of and depreciation, amortization and impairment losses on the fixed assets used in the production process, are recognized under production costs.

Research and development costs

Research and development costs includes wages and salaries, depreciation, amortization and impairment losses on the development projects and other costs directly or indirectly associated with development activities.

Distribution costs

Costs for the distribution of goods sold during the year and sales campaigns etc., including wages and salaries for sales staff, advertising and exhibition costs etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used in the distribution and sales activity, are recognised under distribution costs.

Administration costs

Costs incurred during the year for management and administration, including wages and salaries for administrative staff and management as well as office premise expenses, office expenses, bad debts etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used for administration, are recognised under administrative costs.

Income from equity investments in group entreprises

For equity investments in equity investments in subsidiaries, measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

Amortisation of capital losses and borrowing costs relating to financial liabilities is recognised on an ongoing basis as financial expenses.

Tax on profit for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The Company is part of a Danish joint taxation of which FJV Foss Holding A/S is the administrative entity. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses). Foreign subsidiaries is not included in the joint taxation.

Balance sheet

Development projects
Development projects are recognised in the balance sheet where the project aims at developing a significant specific product or software platform, intended to be produced or used, respectively, by the company in its production process or products.

On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use.

Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Development projects are depreciated on a straight-line basis over the useful life, which is 3-10 years.

An amount corresponding to capitalized development costs occurred after 1 January 2016 including tax, has been recognized as "Reserve for research and development costs" in equity. The reserve is reduced by the following depreciations.

Goodwill
Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives (3-5 years), which are stated in the 'Depreciation and impairment losses' section.

Gains or losses on the disposal of intangible assets
Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment
Land and buildings, plant and machinery as well as other fixtures and equipment, leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	25 – 50 years
Plant and machinery	5 – 10 years
Other fixtures and equipment	3 – 10 years
Leasehold improvements	5 years

Property, plant and equipment under construction are measured at cost. Costs incurred on property, plant and equipment under construction are transferred to the relevant asset category when the asset is ready for use. Land is measured at cost with no subsequent depreciations.

Equity investments in group entreprises
Equity investments in subsidiaries are recognised and measured according to the equity method in the parent company financial statements.

Subsidiaries and associates with a negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Parent's share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognized under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in subsidiaries and associates is transferred to reserve for net revaluation according to the equity method under equity.

Impairment losses
The carrying amount of assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation. If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories
Inventories are measured at cost calculated according to the FIFO-method (First-in First-out). Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables
Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments
Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash
Cash includes deposits in bank account.

Equity
The net revaluation of equity investments measured according to the equity method is recognized in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Current and deferred tax
Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables
Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan).
The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.
Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Cash flow statement
The cash flow statement of the Group is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Group's cash and cash equivalents at the beginning and the end of the financial year. No separate cash flow statement has been prepared for the Parent because it is included in the consolidated cash flow statement.
Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with fixed asset investments as well as purchase and sale, etc of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise of debt raised and repayments of short- and long-term loans as well as payment of dividend. Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.

Financial highlights
Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

The financial ratios have been calculated as follows:

Gross margin:	Gross profit x 100 / Revenue
EBITDA margin:	Earnings before interest, taxes, depriciation and amortization x 100 / Revenue
Profit ration (EBIT):	Earnings before interest, taxes x 100 / Revenue
Return on capital employed:	Earnings before interest, taxes (EBIT) x 100 / Balance sheet total
Solvency ratio:	Equity at year end x 100 / Total assets
Return on equity:	Profit for the year x 100 / Average equity

Appendix 4: Glossary

A		EOL	End-of-Life	IMEEA	India, Middle-East, Anglo-Africa	PV	Photovoltaic
A	Actual (only applicable in IRO presentation)	EPD	Environmental Product Declaration	IPCC	Intergovernmental Panel on Climate Change	**R**	
AEP	Annual Energy Production	EMS	Environmental Management System	IRO	Impacts, Risks, and Opportunities	R	Risk (only applicable in IRO presentation)
AGC	Advanced Genset Control	ESG	Environment, Social, and Governance	**K**		R&D	Research & Development
AI	Artificial Intelligence	ESRS	European Sustainability Reporting Standards	kW	Kilowatt	**S**	
A/S	Public Limited Company	ESRS E	European Sustainability Reporting Standards - Environment	kWh	Kilowatt hour	S	Short term (only applicable in IRO presentation)
AAU	Aalborg University	ESRS G	European Sustainability Reporting Standards - Governance	**L**		SBTi	Science Based Target Initiative
B		ESRS S	European Sustainability Reporting Standards - Social	L	Long Term (only applicable in IRO presentation)	SCP	Safety Corrective & Preventive Actions
BP	Basis for Preparation (ESRS 2)	ESS	Employee Satisfaction Survey	**M**		SMM	Shipbuilding, Machinery and Marine Technology trade fair
C		E-Waste	Electronic Waste	M	Medium Term (only applicable in IRO presentation)	STEM	Science, Technology, Engineering, and Mathematics
CRM	Customer Relationship Management	**F**		M/F	Male/female	SVP	Senior Vice President
CSR	Corporate Social Responsibility	FIFO	First-In, First-Out	**N**		SBTi	Science Based Target Initiative
CSRD	Corporate Sustainability Reporting Directive	FTE	Full Time Employee	NCAB	A global PCB distributor	SCP	Safety Corrective & Preventive Actions
CVR	Central Company Registry (in Denmark)	**G**		NPS	Net Promoter Score	SMM	Shipbuilding, Machinery and Marine Technology trade fair
D		GDPR	General Data Protection Regulation	**O**		STEM	Science, Technology, Engineering, and Mathematics
DI	Confederation of Danish Industries	GHG	Greenhouse Gas	O	Opportunities (only applicable in IRO presentation)	SVP	Senior Vice President
DEFRA	Department for Environment, Food & Rural Affairs, a UK government department	**H**		OECD	Organisation for Economic Co-operation and Development	**T**	
DMA	Double Materiality Assessment	HR	Human Resources	OEM	Original Equipment Manufacturer	tCO2e	Tonnes of Carbon Dioxide Equivalent
E		HSE	Health, Safety and Environment	OO	Own Operations	**U**	
EASIA	East Asia including Australasia	HQ	Headquarter	**P**		US EPA	United States Environmental Protection Agency
EBIT	Earnings Before Interest, Taxes	**I**		P	Potential (only applicable in IRO presentation)	**V**	
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization	I	Impact (only applicable in IRO presentation)	PCB	Printed Circuit Board	VC	Value Chain
EF	Emission Factor	IC	Integrated Circuit	PCBA	Printed Circuit Board Assembly		
ENEA	Europe, Near-East, Africa	IEA	International Energy Agency	PLC	Programmable Logic Controller		

Board of Directors' and Executive Board's report

We have on this day presented the annual report for the financial year 01.01.24 - 31.12.24 for DEIF A/S.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.24 and of the results of the group's and parent's activities for the group's financial year 01.01.24 - 31.12.24.

We believe that the management's review includes a fair review of the matters dealt with in the management's review. The annual report is submitted for adoption by the general meeting.

Skive, 5 May 2025

Board of Directors

Toke Foss, Chair

Birgitte Brinch Madsen, Vice Chair

Humphrey Lau

Malene Richter Christensen

Frederik Buciek Foss

Valdemar Foss

Elected by the employees

Ole Ravnborg

Gitte Jespersen

Jacob Danielsen

Executive Board

Christian Nielsen, CEO

Independent auditor's report on financial statements

To the Shareholder of DEIF A/S

Opinion
We have audited the consolidated financial statements and the financial statements of DEIF A/S for the financial year 1 January 2024 - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including significant accounting policies, for the group and the company as well as the consolidated cash flow statement. The consolidated financial statements and the financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the accompanying consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 31 December 2024 and of the results of the group's and the company's operations and the consolidated cash flows for the financial year 1 January 2024 - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements and the financial statements' section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the financial statements
Management is responsible for the preparation of the consolidated financial statements and the financial statements in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the financial statements, management is responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the financial statements unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the consolidated financial statements and the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the financial statements, including the disclosures, and whether the consolidated financial statements and the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement regarding the management's review
Management is responsible for the management's review.

Our opinion on the consolidated financial statements and the financial statements does not cover the management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the financial statements, it is our responsibility to read the management's review and in doing so consider whether the management's review is materially inconsistent with the consolidated financial statements or the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management's review is in accordance with the consolidated financial statements and the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in the management's review.

Skive, 5 May 2025

Beierholm
Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Bjørn Jakobsen
State Authorized Public Accountant
MNE-nr. 24813

Jesper K. Viborg
State Authorized Public Accountant
MNE-nr. 35413

Improve
Tomorrow

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